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FINANCIAL TIMES

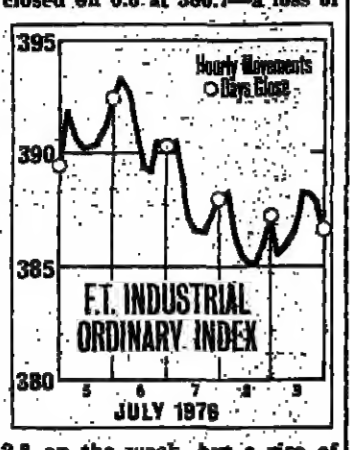
No. 27,017 Saturday July 10 1976 **10p

SERVING THE GAS INDUSTRIES
WIPAC
NATURAL GAS IGNITERS

CONTINENTAL SELLING PRICES: AUSTRIA Sd.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Ptas.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.76.

NEWS SUMMARY

BUSINESS
Equities falter: Wall St. up 11.13
EQUITIES ended the Account on a restrained note after the further setback in sterling. FT 30-share index closed off 0.6 at 386.7—a loss of 1.5 points.



President Agostinho night confirmed the ten days three Britons and an in the Luanda trial. Costa Georgiou, Callan John Barker, and Daniel Gearhart from There is no indication y will go before a firing the other nine mercenaries are to serve a 210 years in prison. Net emphasised men had received a fair every right to a full trial.

mercenaryism was recognised criminal activity in law through the OAU resolutions, Angola to apply this principle.

was no immediate in Whitehall to the Britain is still officially for a reply to the plea eney sent by the Queen, y Minister, the Labour id Left-wing MPs.

Foreign Office said last at President Amin had High Commissioner, and ructured his Minister of and Internal Affairs to an inquiry into Mrs. whereabouts.

st fire ers were last night trying progress on a two-day fire in Inverness-shire, as on a four-mile from weather is cooling down is on the way.

pic threat al representatives of the movement and inter-sports federations y condemned the n government for refus y Taiwan athletes, and that the dispute could yet cancellation of the Games.

ality ruling should call a halt to any trial in which the ation evidence is weak supported, the Court of ruled yesterday. Sir awlinson, chairman of the ouncil, welcomed the

land crash went England for 71, the West Indies speed The tourists consolidated itative with 1851 in their innings in the Third Test.

le and places ater Calvorescasi has left as publisher and chief ve of Penguin Publishing y after a longstanding with chairman Mr. E. J. Page 9

and wife were shot their home at Newtown County Antrim, a few irth of Belfast last night.

a-born Mrs. Susan Cros- of the Foreign Minis- her jaw when she and fell at the Queen's ight banquet.

ody of a young climber covered from a Ben Nevis early yesterday.

Lonrho to buy Brentford

● LONRHO has agreed to buy Brentford Nylons for £9.5m, and has been granted a 12-month option on Brentford Tower Building, West London, for £4.5m. Page 11

● GLC is to consider cutting the pay of firemen involved in three-week-old dispute, because, it says, the men's action has resulted in a standstill at a number of stations. Page 11

● PAN-OCEAN exploration group has begun new drilling operations on the Brae Field, fast emerging as one of the most significant North Sea finds. Page 9

● U.S. would probably be operating a moratorium on nuclear exports before the end of the year. FT conference on nuclear power was told. (Page 15). An attempt at nuclear terrorism would be made at some time, but it would fail (Page 11)

COMPANIES
● JAMES SCOTT Engineering group pre-tax profits (excluding its Israeli subsidiary) rose to £202,595 (£241,049) for the year ended January 31. Turnover was £32.5m. (Page 12)

● PHILIPS, the Dutch electrical group, is selling almost all its 400 Lloyds radio and TV rental shops in Britain in a series of deals which will raise a total of £3m. Back Page

● SOCIÉTÉ Nationale des Petroles d'Aquitaine shareholders approved full merger of their company with the State-controlled ELF-ERAP group. Page 16

Cunard in £55m. deal for 16 ships of Maritime Fruit

BY JOHN WYLES, SHIPPING CORRESPONDENT

Cunard Steam Ship Company yesterday made a surprise offer for 16 British flag ships owned by Maritime Fruit Carriers, the Israeli-American shipping group which has been fighting a seven-month battle against a mounting financial crisis.

Cunard is offering \$35m. cash for the ships and a further \$65m. to cover first charges secured on the ships. Maritime Fruit would be required to clear "all other charges" out of the cash sale. Cunard's offer will be discussed next week at a Maritime Fruit board meeting which, according to company sources, will be held in New York. At the same time, two separate rescue proposals by groups of outside investors will be considered: one involving an injection of up to \$40m. into the cash-strapped company and the other \$15-\$20m.

While details of rescue talks have leaked out over the past few weeks, Cunard—a subsidiary of Trafalgar House Investments—said yesterday that it had been conducting detailed examination for several weeks of Maritime Fruit's situation. According to Mr. Nigel Brookes, chairman of Trafalgar House Investments, the final decision to make an offer followed a recent approach from a Tel Aviv lawyer, Mr. Amnon Rosenfeld, who is associated with Maritime Fruit. MFC asked for a response by 5 p.m. on Thursday; the offer was given two minutes before this deadline and was confirmed in writing.

This is because MFC's continuing default on debts of an estimated £116m. for the company as a whole has caused creditors who include the Government to take possession or arrest all but those of the 16 "reeder" (refrigerated) ships which Cunard is seeking to buy.

This raises the question whether MFC could resist the sale of the ships if the secured creditors decide to sell. It was "conceivable" that the ships could be acquired this way, Mr. Brookes said last night. A copy of the offer was sent yesterday to the Department of Industry and to principal creditors, all of whom are bound to be interested in the arrangement. They will be invited to discuss it with Cunard next week.

A condition of the offer is that Sweden's Salen shipping group agrees to renew charter arrangements on the ships which were cancelled by Salen 12 days ago. This move covered all 37 MFC ships and sparked a wave of action by creditors which culminated in the Government's starting "mortgagee in possession" moves making it the effective owner and controller of six MFC ships on Wednesday.

All of these ships were built on Tyneside with bank loans guaranteed by the Government. MFC's default on these loans and its apparent difficulties in meeting crews' wages led to a threat of strike action by the seamen's unions and impasse among the banks, principally Marine Midland and Barclays.

The mortgagee in possession decision was taken by the Government to enable the ships to continue trading and crews' wages to be paid. The Government's exposure on MFC loans is in the region of £55m. Continued on Back Page

Pound is down 1.25c on week

By Peter Riddell in London and Stewart Fleming in New York

THE POUND continued to drift down again yesterday, closing 85 points lower at \$1.7805 for a drop of 2.20 cents in the last two days, and 1.25 cents on the week.

Although there was selling pressure for most of the day, activity was not heavy and dealers do not believe there were major deals influencing the market. Any intervention by the authorities is thought to have been on a small scale, though pressure was apparently maintained on the forward market, to judge by three-month Eurosterling rates.

Dealers do not believe too much should be read into the setback since the middle of the week, as there appears to have been an underlying change of sentiment.

While Minimum Lending Rate was unchanged yesterday, indications from New York point to a slight easing in Federal Reserve monetary policy. This provoked a sharp rally in prices on the New York Stock Exchange bond and equity markets.

In the past few days dealers in short-term money markets have noted that the key Federal funds rate—the rate on inter-bank reserves which is taken as an important indicator of the Fed's monetary stance, has declined from around the 5 1/2 per cent. range nearer 5 1/2 per cent.

The decline has taken place without any sign of the Federal Reserve Board intervening through open market operations to check it, and bond analysts are becoming convinced that the Federal Reserve is content to see rates fall, though not, it is felt, any further for the time being.

The slight easing of Fed policy, it is suggested in the market, reflects the sluggish growth in the money supply. One analyst said that in only one of the past six months, April, has the growth in the monetary aggregates as measured by M1 and M2 (cash demand and time deposits) been outside the upper target range which the Fed has published.

In recent weeks money supply growth has been stagnating, and the figures produced by the Fed on Thursday showed that M1 declined by \$100m. in the week to June 30. For June as a whole M1 showed an overall decline at an annual rate, according to some estimates, of about 1.5 per cent. This contrasts with a target rate of growth for M1 of between 4.5 per cent. and 7 per cent.

U.S. supports new pressure on Rhodesia

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

A NEW ATTEMPT to persuade the Rhodesian Government to negotiate a rapid transfer to black majority rule may soon be made by the British Government, backed by the U.S. administration and with the concurrence of the Commonwealth.

Plans being considered in Whitehall and in Washington principally involve the "fleshing out" of current British policy on Rhodesia as outlined by Mr. Callaghan in the House of Commons on March 22.

Then, Mr. Callaghan bluntly warned white Rhodesia that time was running out and that the only solution sanctioned by Britain would be a transfer to black rule within 18 months to two years. This position is fully backed by the U.S., but Dr. Kissinger, following his recent visit to Africa, is believed to be urging Britain to spell out in more detail precisely what a transfer would mean, particularly, but not wholly, in relation to the future of whites under a black Government.

Current discussions, which have been given a new urgency by Dr. Kissinger's recent interest in Southern Africa as well as by the situation on the ground, are centering on proposals for offering some concrete guarantees to whites who either want to leave Rhodesia in advance of black rule, or who would prefer to stay in it if they could have some surety for their future.

There is also the question of cost, however. The programme of white land purchase in Kenya, for example, has probably cost more than £100m. in the past 12 years. Rhodesia, particularly if the costs of guaranteeing pensions of civil servants and others were included—would certainly involve very much more.

There are also serious political problems. In Britain (which would have to bear a substantial percentage of any costs involved) there would be moral and financial objections to any form of "compensation" for whites, particularly from the Left.

There is also a considerable body of opinion which, while perhaps accepting the need for some sort of guarantees to whites, would like to see a package which involved real help for the country's African population too.

These sorts of considerations could well affect whatever proposals are ultimately agreed. Better reports from Salisbury, Mr. Ian Smith told parliament there was no point in reopening Rhodesia settlement talks with the African National Council (ANC) until it showed a realistic and reasonable attitude.

Answering questions from a black member, Mr. John Maposa, the Prime Minister said his talks with the ANC during the past year had failed because of the "extreme nature of their demands." But he agreed with settlement was desirable because of the guerrilla war.

Tories set 20% tax cuts target, says Howe

BY RICHARD EVANS, LOBBY EDITOR

THE CONSERVATIVES have set themselves the target of cutting tax rates by more than 20 per cent. for their next Government. The top tax rate on earned income in Europe did not in general exceed 60p in the pound, compared with 80p in Britain. Instead of heading the urgent message that these figures implied, Sir Geoffrey alleged, the Government was pressing ahead with the proposals in the Finance Bill, which would "turn the screws still tighter."

Sir Geoffrey promised that the Tory Party would continue to fight the Finance Bill proposals and press for substantial changes in the "grossly damaging" policies which now prevailed. He admitted it would be difficult to lower rates of taxation substantially until steps had been taken to bring the Government's "overspending" under control. "But surely no one can doubt that action is now urgently necessary to lift the crushing burden of taxation on those who shoulder the key responsibilities in trade and industry."

Conservative Leader, told the conference that recovery and sustained expansion of industry was the most important single task of the next Tory Government. She gave a nine-point programme for industrial recovery involving a reduction in Government spending; "restoration of profitability for overseas companies; greater emphasis on the needs of industry in higher education; and a new stimulus for small businesses."

"We believe it is time the Government did less directing and more rewarding," she said. It was time to use "less stick and carrot" and to leave all industrial and commercial decisions to "those who had day-to-day experience of industry and commerce."

Why Hine cognac should cost more.

Inside every bottle of Hine Cognac, there's over 200 years' experience. The firm to which Dorset-born Thomas Hine gave his name has been blending and selecting Cognac since 1763. Only the very best Cognacs are selected to carry the famous Hine labels. Like all craftsmanship, this doesn't come cheaply. Even so, careful shopping might uncover a bottle of Hine for no more than ordinary Cognacs. So you can enjoy the connoisseurs' Cognac without having a connoisseur's wallet.



For an informative booklet on Cognac, send postcard to: Dept. FT 6th Floor, 1 Oxendon Street, London SW1Y 4EG.

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PRICE CHANGES YESTERDAY
(in pence unless otherwise indicated)

De Beers Deft.	236 + 4	Assoc. Dairies	203 - 4
Tanganyika Cons.	166 + 4	Carpets Int.	67 - 4
		Duffy Bitumastic	36 - 19
		Gardner (L.)	142 - 3
		Glass	395 - 5
		Gomme	78 - 4
		Howard Machinery	48 - 3
		Jackson & Steptoe	18 - 2
		Lebus (Harris)	36 - 10
		Tex Abrasive	28 - 2
		Thomson	294 - 4
		Town & City	13 - 10
		Unilever	448 - 3
		Geoid Inv.	250 - 10
		Kloof Gold	480 - 20
		Pancontinental	114 - 1
		Road Cons.	170 - 10
		St. Helens	213 - 1
		Vestergaard	135 - 10

RISERS:
1. 110 + 13
2. 145 + 4
Soft Drinks 138 + 8
Card 57 + 6
el Tunnel 32 + 10
Rue 318 + 11
Ulman 37 + 3
refrigeration 77 + 3
Seca 75 + 8
Ridges & Inv. 245 + 5
id 32 + 4
side Inv. 62 + 4
Centre Props 284 + 2
ord Inv. 167 + 4
strial 62 + 2
Nat. Resources 70 + 5
Vast 113 + 1

The week in London and New York

Sterling falters again

ONLOOKER

The account ended on a steady enough note yesterday despite the renewed weakness of sterling. For most of the week share prices have drifted lower but falls among FT quoted industrials have only just outnumbered rises and on the week the 30-Share index is 2.5 points lower at 386.7 leaving most of the previous week's 14.4 points gain intact. Gilt has traded quietly, with the Government broker supplying stock on a limited scale. But the pound came under renewed pressure on Thursday evening and there were further declines yesterday despite the intervention of the Bank of England.

The performance of sterling shows just how volatile the currency has become, for the background news at home has mostly been of the helpful sort. A Government statement of some sort on spending cuts is due before the summer recess at the end of this month or early in August; and there was Wednesday's statement of "accord" from the Government, the unions and the CBI. Sterling's latest reaction has not so far worried the gilt market. Next week's trade figures for June could provide a major test for sentiment but the easier trend of U.S. interest rates is now beginning to revive hopes for an early cut in M.R.R. Gold shares came down to within 3 per cent of their April low yesterday.

Smoke screen

Followers of the tobacco sector have plenty to digest this week. Rothmans International has come up with nearly doubled annual profits of \$30.4m, pre-tax while Imperial Group's interim results are higher by a quarter at \$65.1m. These are backed by a profit implying at least \$120m, pre-tax overall in 1975-76, against \$106m, and this tends to clear away most of the doubts created by the price war in king size cigarettes. Gradual EEC harmonisation of duty charges will narrow the price differentials between the king and medium sized brands in the U.K. with an inevitable shift in consumption to the larger brands, which—according to some estimates—could trouble the king size share of the market to say a third over the next five years. Imperial with roughly two-thirds of the U.K. cigarette market is vulnerable to a potential swing of this sort because it concentrates on medium and smaller brands.

Understandably it is aggressively marketing its Player King Size, and considerably shaving its margins to break into this market. And the repercussions for Rothmans, quoted industrials have only just outnumbered rises and on the week the 30-Share index is 2.5 points lower at 386.7 leaving most of the previous week's 14.4 points gain intact. Gilt has traded quietly, with the Government broker supplying stock on a limited scale. But the pound came under renewed pressure on Thursday evening and there were further declines yesterday despite the intervention of the Bank of England.

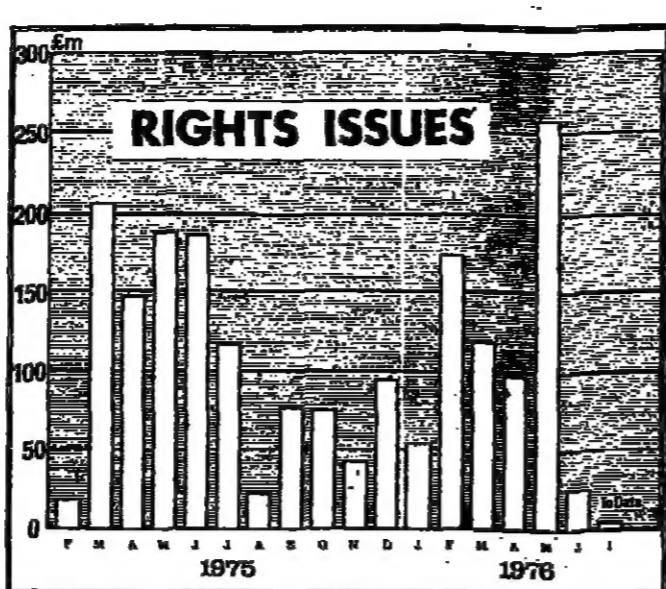
Seven of this week's ten best performing share prices are property shares and over the last month our property share index has risen by an eighth against a 1.6 per cent rise by the All-Share index. Part of this relative strength is undoubtedly technical. The market has been

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 10

Sector	% Change
Property	+1.7
Toys & Games	+1.6
Newspapers, Publishing	+1.4
Breweries	+1.3
Machine & Other Tools	+1.2
Insurance (Composite)	+1.1
All-Share Index	+1.0

THE WORST PERFORMERS

Sector	% Change
Electronics, Radio & TV	-0.9
Hire Purchase	-1.0
Oil	-1.1
Wines & Spirits	-1.2
Contracting & Construction	-1.3
Household Goods	-1.4



RIGHTS ISSUES
JANUARY 1975 TO JANUARY 1976

companies, although declining is still featuring in the top half slightly, still stands at close to 400, indicating that while some companies have managed to reduce their gearing substantially others still have a long way to go. Recent results from MEPC and Land Securities indicate that a recovery in profitability and net asset value is now under way but for highly geared companies such as Town and City, Town and Commercial and Capital Counties it is going to be a long haul.

Frozen North

Scottish and Newcastle brought the brewing season to an end on Wednesday with a set of results that underline its lost earnings status. Over the winter period Whitbread was the best performer among the major brewers followed by Guinness with its overseas strength and then Bass Charrington. Hit by strikes Allied was the noticeable backmarker, while S and N is last but one in the performance tables—allowing for a couple of favourable items like an extra week's trading and the impact of a £21m rights cash injection. Consumer belt tightening in the North East plus slow progress in the larger market—S and N is losing market shares in Scotland—has put the group into a very flat sales trend. And this year it looks to be making equally slow start. The hot weather has arrived much more cautiously north of the Midlands, and in the eight weeks to June 28 S and N's beer volume is up just 1 per cent, against a national average of maybe 5 per cent. The shares have eased 3 1/2p to 58p this week. But the sector

Smoke screens

BY STEWART FLEMING

NEW YORK, July 9

EVEN THOUGH the Dow Jones Industrial Average continues to drift there are many Wall Street analysts who maintain that the stock market is stronger than this indicator would suggest.

They point to the relatively high levels of turnover and the continuing interest amongst investors in smaller companies and in cheaper stocks as factors to support their optimism. They go on to forecast that a biennial summer rally is just around the corner. And today's rally would lend support to the theory.

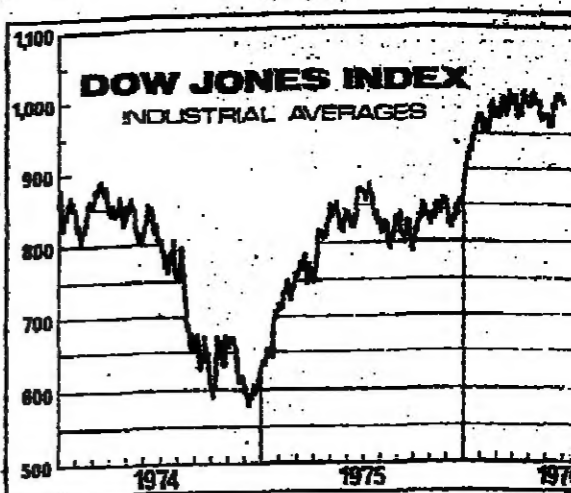
These views may be proved right, but in the meantime if the performance of the blue chip sector of the market is anything to go by they are not shared by many of those big institutional investors who make up the dominant forces in price movements. Everybody will be aware that for whatever reason "Smokestack America" has been under continued pressure on the Street and nobody is really sure when this pressure will ease.

Smokestack America is a phrase used to describe those

big industrial U.S. corporations which are predominant in the Dow Jones Industrial Average, and companies like them who make up the boiler room of the U.S. economy.

This week once again the shares of many of these companies have been relatively weak on the exchange. One of the principal explanations for the sudden nervousness about the prospects of the big industrial leaders—or at least some of them, and nobody is really too sure which—was the announcement last week from the chemicals giant Dupont that its second-quarter profits will run below the level of the first-quarter figures.

Even though the company predicted a good year the shares fell back sharply and since then various groups in the industrial sector of the market have shown relative weakness. Thus when the market opened this week after the biennial holiday there were slight setbacks in the water, aerospace, chemical and steel issues for example.



A convincing explanation for the nervousness remains to be produced, if there is one, for stock markets are far from rational institutions. One suggestion is that some big institutions are just selectively taking some profits. From this starting point it is easy to go on and rationalise the situation in terms of fears about rising wholesale prices, inflation, and the low levels of investment in the economy.

For those who are expecting the market's underlying strength to show through convincingly, the hopes must be that before long the profit-taking in the blue

Mining A gathering strength

BY MALCOLM DUMPHREYS

IT HAS BEEN a buoyant week in base metal markets on the London Metal Exchange which, in turn, good news for the metal producers. Pride of place must be given to tin, the price of which has traded at all-time record levels in line with the continued upward movement in the Penang quotation. The latter broke through the M1,200 per picul (£4,590 a tonne) ceiling level of the International Tin Agreement on July 1 and touched \$1,320 on Thursday before easing to \$1,310 yesterday. Its previous peak was \$1,370 reached in April 1974.

It was thought that the ending of export restrictions at the start of the fifth International Tin Agreement could mean a downturn in the metal's price as producer stockpiles built up during the period of restriction would be released on to the market. This has so far not proved to be the case but even if the price does ease, a knock the producing mines will still get a welcome fillip to their earnings from the stockpile sales at a metal price well in advance of the Penang average of \$964 for 1975.

The U.K. tin producers base their sales on the LME price so they will also have profited in recent weeks, yesterday's cash price being £4,892 a tonne compared with a 1975 average of £3,090. Apart from the boost this gives to producers, it also increases the contribution that the Cornish tin mining industry makes to the U.K. balance of payments.

In 1975, this was some £12m, with the Duchy's mines providing 26 per cent of the country's tin requirements. This amount will increase this year as the new Canadian-Swiss Mount Wellington mine is just coming to production. Following last week's increase in the U.S. producer price to 74 cents a pound, equivalent to \$912 a tonne, the cash price of copper has this week traded here at two-year high levels closing yesterday at \$936.5 a tonne. Last Thursday also saw an increase in the U.S. producer price of lead with Asarco raising its quotation by 1 1/2 cents to 24 1/2 cents a pound.

St. Joe Minerals then increased its price to 25 cents a pound (£308 a tonne) and it is widely expected that the higher cash lead price will be generally accepted. The cash lead price traded here at its highest since May 1974 on Thursday before easing to \$220 per tonne yesterday. The market anticipated rise in the producer quotation for zinc has so far failed to materialise but is widely expected, especially now that that for lead has been raised. Even so, the LME zinc price has gained over \$11 this week, rising at \$438 a tonne yesterday.

As operating profits are accounting for an ever growing slice of London's Selection Trust's earnings (38 per cent in the year to last March compared with 10 per cent five years previously) the rise in base metal prices will help the company's Canadian South Bay base metal operation to get back to profit, at a time when the costs of starting such operations are rapidly increasing.

The half-year to June 30 Central Selling Organisation sales figure for rough gem and industrial diamonds was well above market forecasts. In dollar terms, which avoid the distortion of last September's 17.9 per cent rand devaluation, the latest sales figure comes out at \$784m (£438.2m), an increase of over 50 per cent on the first six months of 1975.

The demand for small stones

has remained strong for the year of some 100,000 shares of America's Amstar, has been a pick-up in larger gems, factories they continue in the six months, point to the full year exceeding record of \$1.33bn.

This augurs well for Beers which has been larger stocks of diamond point not missed by market which put shares up from 214p of last week to 226p despite the overhanging worries which southern Africa.

Australia's major producer, MIM, has taken closer links with U.S. Asarco group, already has a stake in MIM and full latest deal MIM will 13.7 per cent in Asarco. MIM is to sell 3.5m new shares (£12.27) to be issued and will also purchase in the open market next 18 months.

The partnership equal participation zinc refinery in which, if it goes ahead, it will cost \$90m (£112m-£168m) and handle concentrates of companies, MIM, Asarco, Anglo American, and others, is a "major" and consistent company's aims of b spheres of interest

MARKET HIGHLIGHTS OF THE WEEK

Index	Price Ytd	Change on Week	1976 High	1976 Low	Notes
F.T. Ind. Ord. Index	386.7	-2.8	420.8	364.7	Lack of enthusiasm
Treasury 2 1/2% 1979/81	64 1/2	+5.8	86	79	Ahead of going cash (y'day)
AD International	110	+22	114	80	Renewed Dentsply Inc bid
Associated Newspapers	101	+7	122	90	Second-half recovery
Berkeley Harbors	130	+10	150	91	£10.4m property sale
Bilby and Baron	49	+19	51	25	Approach from Low and Bonar
Bishopsgate Plat.	116	+8	122	68	Impala produces price rise
BP	595	-12	685	575	Reported Alaska pipeline flaws
Chesterfield Properties	160	+12	163	102	French property deal
Cox (H.)	35	+12	38	23	Bid situation
Cuthbert (R. and G.)	30 1/2	+4 1/2	30 1/2	17	Bid talks in progress
De Beers Deft.	236	+22	335	198	CSO 1 yr gem sales fig up sharply
De La Rue	250	+20	250	200	Encouraging annual statement
Duffay Bitumastic	36	-21	57	35	Bid talks ended/profits warning
Ellis and Everard	98	-9	120	87	Fading bid hopes
Lee Cooper	100	+18	100	55	Results due Wednesday
Marshall (Haltfax)	77	+9	88	68	Good preliminary figures
Minicore	246	+18	250	168	Strength of Copper price
Tricentral	62	+7	63	43	Haltfax North Sea oil finds
Waddington (John)	110	+11	130	92	Improved final-quarter results

U.K. INDICES

Average week to	July 9	July 2	June 25
FINANCIAL TIMES	62.83	62.90	62.73
Govt. Secs.	62.83	62.90	62.73
Fixed Interest	62.50	62.37	62.31
Indust. Ord.	30.50	30.18	30.04
Gold Mines	147.1	151.6	168.2
Dealings mtd.	4,530	3,834	4,202
FT ACTUARIES			
Capital Gds.	144.48	141.71	143.37
Consumer (Durable)	123.96	123.32	124.02
Cons. (Non-Durable)	148.35	144.94	145.28
Ind. Group	152.86	148.91	150.37
500-Share	169.71	166.23	167.85
Financial Gp.	128.02	124.14	124.05
All-Share	158.88	155.37	156.62
20-year Govt.	49.28	49.39	49.22
Red. Debs.	50.70	50.54	50.79

TV/Radio

† Indicates programme in black and white.

BBC 1

9.00 a.m. *Jim. Menu.* 9.15 *Yogi's Gang.* 9.30 *Kim and Co.* 10.00 *On the Move.* 10.10 *Play Tennis.* 10.30 *Hit 'em Again.* (Mack Bennett comedy). 10.40 *So You're Going on Vacation.* 10.57 *Weather.* 11.00 *Grandstand.* (Livings depend on the progress of events). Golf: The Open; Cricket: Third Test, England v. The West Indies. 7.05 *Westminster.* 7.25 *News and Sport.* 7.45 *2nd House 2nd Run.* 8.00 *Private Affairs.* 8.55 *Golf: The Open/Cricket: Third Test/Tennis: Davis Cup/Show Jumping (highlights).* 11.50 *News on 2.* 11.55 *Midnight Movie: "Teresa," starring Pier Angeli.*

BBC 2

7.40 a.m. 2.45 p.m. Open University. 12.45 p.m. *Saturday Cinema: "The Barber of Seville" starring Megs Jenkins.* 3.45 *Cricket: Third Test, England v. The West Indies.* 7.05 *Westminster.* 7.25 *News and Sport.* 7.45 *2nd House 2nd Run.* 8.00 *Private Affairs.* 8.55 *Golf: The Open/Cricket: Third Test/Tennis: Davis Cup/Show Jumping (highlights).* 11.50 *News on 2.* 11.55 *Midnight Movie: "Teresa," starring Pier Angeli.*

5.05 *News from ITN.* 5.15 *Nobody Does It Like Marli.* 5.45 *Island of Adventure.* 6.45 *The Sweepstakes Game.* 7.15 *New Faces.* 8.15 *"Della," starring Joan Crawford and Charles Bickford (made specially for television).* 9.30 *The XYY Man.* 10.30 *News from ITN.* 10.45 *When Things Were Rotten.* 11.15 *"The Sound of the Baskervilles," starring Peter Cushing, Christopher Lee and Andre Morell.* All ITN Regions as London except at the following times:—
5.50 a.m. *Home News.* 10.15 *Hannity Hamster's Adventures on the Riverbank.* 10.30 *Manfred.* 10.45 *The Big Movie.* 11.30 *Clapnet.* 11.35 *Planet of the Apes.* 5.45 p.m. *Tarzan.* 8.15 *The Saturday Movie: "Westward the Wagon."* 10.45 *Tell Me Another.* 11.35 *Mystery Movie: "McMullan and Wife."* 12.35 a.m. *At the End of the Day.*

GRAMPIAN
12.25 a.m. *Old House—New Home.* 12.35 *Base.* 12.45 *Base.* 12.55 *Base.* 1.05 *Base.* 1.15 *Base.* 1.25 *Base.* 1.35 *Base.* 1.45 *Base.* 1.55 *Base.* 2.05 *Base.* 2.15 *Base.* 2.25 *Base.* 2.35 *Base.* 2.45 *Base.* 2.55 *Base.* 3.05 *Base.* 3.15 *Base.* 3.25 *Base.* 3.35 *Base.* 3.45 *Base.* 3.55 *Base.* 4.05 *Base.* 4.15 *Base.* 4.25 *Base.* 4.35 *Base.* 4.45 *Base.* 4.55 *Base.* 5.05 *Base.* 5.15 *Base.* 5.25 *Base.* 5.35 *Base.* 5.45 *Base.* 5.55 *Base.* 6.05 *Base.* 6.15 *Base.* 6.25 *Base.* 6.35 *Base.* 6.45 *Base.* 6.55 *Base.* 7.05 *Base.* 7.15 *Base.* 7.25 *Base.* 7.35 *Base.* 7.45 *Base.* 7.55 *Base.* 8.05 *Base.* 8.15 *Base.* 8.25 *Base.* 8.35 *Base.* 8.45 *Base.* 8.55 *Base.* 9.05 *Base.* 9.15 *Base.* 9.25 *Base.* 9.35 *Base.* 9.45 *Base.* 9.55 *Base.* 10.05 *Base.* 10.15 *Base.* 10.25 *Base.* 10.35 *Base.* 10.45 *Base.* 10.55 *Base.* 11.05 *Base.* 11.15 *Base.* 11.25 *Base.* 11.35 *Base.* 11.45 *Base.* 11.55 *Base.* 12.05 *Base.* 12.15 *Base.* 12.25 *Base.* 12.35 *Base.* 12.45 *Base.* 12.55 *Base.* 1.05 *Base.* 1.15 *Base.* 1.25 *Base.* 1.35 *Base.* 1.45 *Base.* 1.55 *Base.* 2.05 *Base.* 2.15 *Base.* 2.25 *Base.* 2.35 *Base.* 2.45 *Base.* 2.55 *Base.* 3.05 *Base.* 3.15 *Base.* 3.25 *Base.* 3.35 *Base.* 3.45 *Base.* 3.55 *Base.* 4.05 *Base.* 4.15 *Base.* 4.25 *Base.* 4.35 *Base.* 4.45 *Base.* 4.55 *Base.* 5.05 *Base.* 5.15 *Base.* 5.25 *Base.* 5.35 *Base.* 5.45 *Base.* 5.55 *Base.* 6.05 *Base.* 6.15 *Base.* 6.25 *Base.* 6.35 *Base.* 6.45 *Base.* 6.55 *Base.* 7.05 *Base.* 7.15 *Base.* 7.25 *Base.* 7.35 *Base.* 7.45 *Base.* 7.55 *Base.* 8.05 *Base.* 8.15 *Base.* 8.25 *Base.* 8.35 *Base.* 8.45 *Base.* 8.55 *Base.* 9.05 *Base.* 9.15 *Base.* 9.25 *Base.* 9.35 *Base.* 9.45 *Base.* 9.55 *Base.* 10.05 *Base.* 10.15 *Base.* 10.25 *Base.* 10.35 *Base.* 10.45 *Base.* 10.55 *Base.* 11.05 *Base.* 11.15 *Base.* 11.25 *Base.* 11.35 *Base.* 11.45 *Base.* 11.55 *Base.* 12.05 *Base.* 12.15 *Base.* 12.25 *Base.* 12.35 *Base.* 12.45 *Base.* 12.55 *Base.* 1.05 *Base.* 1.15 *Base.* 1.25 *Base.* 1.35 *Base.* 1.45 *Base.* 1.55 *Base.* 2.05 *Base.* 2.15 *Base.* 2.25 *Base.* 2.35 *Base.* 2.45 *Base.* 2.55 *Base.* 3.05 *Base.* 3.15 *Base.* 3.25 *Base.* 3.35 *Base.* 3.45 *Base.* 3.55 *Base.* 4.05 *Base.* 4.15 *Base.* 4.25 *Base.* 4.35 *Base.* 4.45 *Base.* 4.55 *Base.* 5.05 *Base.* 5.15 *Base.* 5.25 *Base.* 5.35 *Base.* 5.45 *Base.* 5.55 *Base.* 6.05 *Base.* 6.15 *Base.* 6.25 *Base.* 6.35 *Base.* 6.45 *Base.* 6.55 *Base.* 7.05 *Base.* 7.15 *Base.* 7.25 *Base.* 7.35 *Base.* 7.45 *Base.* 7.55 *Base.* 8.05 *Base.* 8.15 *Base.* 8.25 *Base.* 8.35 *Base.* 8.45 *Base.* 8.55 *Base.* 9.05 *Base.* 9.15 *Base.* 9.25 *Base.* 9.35 *Base.* 9.45 *Base.* 9.55 *Base.* 10.05 *Base.* 10.15 *Base.* 10.25 *Base.* 10.35 *Base.* 10.45 *Base.* 10.55 *Base.* 11.05 *Base.* 11.15 *Base.* 11.25 *Base.* 11.35 *Base.* 11.45 *Base.* 11.55 *Base.* 12.05 *Base.* 12.15 *Base.* 12.25 *Base.* 12.35 *Base.* 12.45 *Base.* 12.55 *Base.* 1.05 *Base.* 1.15 *Base.* 1.25 *Base.* 1.35 *Base.* 1.45 *Base.* 1.55 *Base.* 2.05 *Base.* 2.15 *Base.* 2.25 *Base.* 2.35 *Base.* 2.45 *Base.* 2.55 *Base.* 3.05 *Base.* 3.15 *Base.* 3.25 *Base.* 3.35 *Base.* 3.45 *Base.* 3.55 *Base.* 4.05 *Base.* 4.15 *Base.* 4.25 *Base.* 4.35 *Base.* 4.45 *Base.* 4.55 *Base.* 5.05 *Base.* 5.15 *Base.* 5.25 *Base.* 5.35 *Base.* 5.45 *Base.* 5.55 *Base.* 6.05 *Base.* 6.15 *Base.* 6.25 *Base.* 6.35 *Base.* 6.45 *Base.* 6.55 *Base.* 7.05 *Base.* 7.15 *Base.* 7.25 *Base.* 7.35 *Base.* 7.45 *Base.* 7.55 *Base.* 8.05 *Base.* 8.15 *Base.* 8.25 *Base.* 8.35 *Base.* 8.45 *Base.* 8.55 *Base.* 9.05 *Base.* 9.15 *Base.* 9.25 *Base.* 9.35 *Base.* 9.45 *Base.* 9.55 *Base.* 10.05 *Base.* 10.15 *Base.* 10.25 *Base.* 10.35 *Base.* 10.45 *Base.* 10.55 *Base.* 11.05 *Base.* 11.15 *Base.* 11.25 *Base.* 11.35 *Base.* 11.45 *Base.* 11.55 *Base.* 12.05 *Base.* 12.15 *Base.* 12.25 *Base.* 12.35 *Base.* 12.45 *Base.* 12.55 *Base.* 1.05 *Base.* 1.15 *Base.* 1.25 *Base.* 1.35 *Base.* 1.45 *Base.* 1.55 *Base.* 2.05 *Base.* 2.15 *Base.* 2.25 *Base.* 2.35 *Base.* 2.45 *Base.* 2.55 *Base.* 3.05 *Base.* 3.15 *Base.* 3.25 *Base.* 3.35 *Base.* 3.45 *Base.* 3.55 *Base.* 4.05 *Base.* 4.15 *Base.* 4.25 *Base.* 4.35 *Base.* 4.45 *Base.* 4.55 *Base.* 5.05 *Base.* 5.15 *Base.* 5.25 *Base.* 5.35 *Base.* 5.45 *Base.* 5.55 *Base.* 6.05 *Base.* 6.15 *Base.* 6.25 *Base.* 6.35 *Base.* 6.45 *Base.* 6.55 *Base.* 7.05 *Base.* 7.15 *Base.* 7.25 *Base.* 7.35 *Base.* 7.45 *Base.* 7.55 *Base.* 8.05 *Base.* 8.15 *Base.*

Your savings and investments

our money and our life

ERIC SHORT

I have written several times about the low return available on cash-in, arising from the effect of compounding and the heavy loading effect of commission and expenses. I have also written about the savings bank type of which at least gives a return of 10 per cent. Some are selling the product on the long-term which look very attractive. I mention this feature of life assurance applies to both traditional linked contracts. One investor who lost on surrender after two years quoted recently as that he would have been investing in a building fund that is how he would have been told that he could get out a life assurance and still invested in a society, using a building society linked plan. Sun Life revised its conform with the new regulations, so now it is an opportune time to consider again what such schemes have to offer.

Essentially the plan operates on the same basis as the linked schemes. A small fixed percentage is deducted from each regular premium to pay for the death cover and expenses, the remainder being invested with the chosen building society. The usual period of the plan is 10 years and with the Sun Life City Plan, death cover is 100 times the monthly premium.

The biggest advantage of such a scheme is that the investor makes regular savings into the building society, with the benefit of a steady accumulation of risk-free capital, yet still receives the tax-relief advantage of regular savings life assurance. It provides a better overall return than straight building society investment — at the young ages the Sun Life plan gives a grossed-up yield for basic taxpayers of 14.8 per cent. over ten years, against 10 per cent. otherwise.

Other fringe benefits include a high level of life cover and ensuring that the investor does not lose money, allowing for the tax relief, on early surrender from one year onwards. Finally, he has the same advantages regarding mortgage consideration as any other depositor with the building society.

The table shows the estimate return at current interest levels, on withdrawal or maturity on the Sun Life plan for a monthly premium of £20 gross (£16.50 net of the tax relief) for an investor up to age 30. There is no loss on early surrender and the estimated proceeds after ten years compare favourably even with the company's ten-year with-profit contract.

So why haven't these plans gained popularity with investors? One reason is that prior to the clamp-down in 1974, building society linked policies achieved notoriety as tax avoidance vehicles. The reaction of the Inland Revenue was to introduce the "clawback" of tax relief on any profit element on all early surrenders. Also the marketing of these schemes is done mainly by the building societies and not by the broking organisations. But from the description given above such schemes can meet the requirements of investors seeking stability and security and who like to know that they can get their money back early without loss.

Other life companies offering such plans include Royal Insurance, Equitable Life, Commercial Union, Guardian Royal Exchange, and Sun Alliance and London. One word of warning to investors looking eventually for a mortgage. They should check that the building society to which the plan is linked operates in his area. The big drawback to Sun Life's plan is that the City of London Building Society—the link—does not operate in the North of the country.

THE SUN LIFE CITY PLAN

Investor aged under 30, premium £20 per month		
at year's end	Total net premiums paid	Estimated return
1	198	198
2	396	404
3	594	529
4	792	663
5	990	807
6	1,188	961
7	1,386	1,125
8	1,584	1,299
9	1,782	1,483
10	1,980	1,667

assured on a without profit contract for the same premium is the estimated maturity value for a with-profit contract is

few commissions

DISCUSSION on the new life policies has been concerned with its likely effect on sales methods. Investors are unlikely to be subject to the same pressure to take out life non-profit contracts because these policies have high commission rates. The effect is that the of savings orientated policies could become more attractive.

This is the modern method of allowing for those expenses which are not related to the sum assured.

The net effect is to make very little difference to the short term contracts with small premiums — improvement in rates being offset by the policy charge. But there is considerable improvement in the benefits for the longer term policies, especially whole life, the improvement increasing with the larger premiums.

The only serious problem with making a complete revision of rates is that the investor who took out his contract just prior to the changeover appears to have a raw deal. There is no real answer to this problem, since there has to be a cut-off point between old and new. Life company actuaries can soften the blow by making more frequent rate revisions in order to ensure that the changes are not too dramatic.

Meanwhile, those investors who recently took out NU policies may find themselves better off by lapsing the policy and starting again. Brokers will be only too willing to advise on this point—it can give them two bites on the commissions' cherry while still doing the best for their client.

he problem for pension funds

THE Court decision in London Co-operative pension fund has had a profound effect on the pension industry in the past, thus leading to lower pensions to members, may have led to other pension arrangements. If results in shaking members of their general apathy towards pension arrangements, it is a good thing that it is a good thing.

to Co-op pension scheme somewhat different to the of many modern

E BEAUTIFUL CROSSACHES

delightful Forest Hills Hotel and Spa in the Crossachs. Set in 19 acres of water and rainforest, the hotel, swimming pool, tennis courts, and golf course, are all lovely, relaxing atmosphere, good for the soul.

For bookings, or details, contact: Forest Hills Hotel, Aberdeen, Perthshire, Tel: 01832 277.

UNIT TRUST PERFORMANCE TO JULY 1			
Trust	SIX MONTHS	% Change	12 MONTHS
TOP 10			
1. M & G American	+34.9		Gartmore High Income +55.7
2. Stewart American Fund	+26.1		Allied Hambro Recovery +50.0
3. Lawson American	+25.3		Gartmore Income +40.4
4. Allied Hambro Sec. of America	+23.7		M & G Extra Yield +39.8
5. Henderson North American	+23.2		Target Commodity +39.4
6. Charterhouse International	+22.9		M & G High Income +39.4
7. Hill Samuel Dollar	+22.2		Framlington Income +39.2
8. Slater Walker North American	+21.7		Henderson High Income +38.1
9. Barclays Unicorn America	+20.8		Manulife Growth +38.0
10. S & P Ebor Energy Inds.	+19.5		M & G Recovery +37.7
FT IND. ORD. INDEX	+ 3.9		FT IND. ORD. INDEX +24.6
BOTTOM 5			
S & P Property Share	-13.1		Oceanic Investment Trust -13.0
Slater Walker Property	-13.4		Midland Drayton Commodity -15.3
Oceanic Financial	-16.8		Oceanic Financial -20.6
Oceanic Recovery	-18.8		Slater Walker Gold & General -43.2
Slater Walker Minerals	-24.0		Slater Walker Minerals -59.5

Confident of the U.S.

BY CHRISTOPHER HILL

HALF-YEARLY performance figures may not be scrutinised with the same amount of interest as a few years ago—the current preference being for "stable" growth—but the comprehensive tables from the *Planned Savings* still make an interesting reading. What is particularly significant is the continued swing away from the U.K. market where top performers are concerned. Over the past six months the leaders are dominated by trusts specialising in the U.S. and only a little further down the list there is a clutch of trusts with growth as their objective. But over 12 months the top performers mainly comprise high income and "recovery" trusts.

Much has been made recently of the apparently poor performance of unit trusts over the past year, with only 13 of the 329 trusts having outperformed the FT Ordinary Index gain of 36.8 per cent. But it always has been the case that trusts find it difficult to match a fairly rapid rise in the market and success in this respect is usually more a matter of timing than of substance. The market is later however dilatory it appears static or advancing at a sedate pace. This has been the case over the past six months when the market has been the premium and loan just under a third of trusts managed to beat the very modest rise in the Index.

More important to my mind is where managers see markets going from here. Now that it seems certain that the U.K. market is at least in a mature phase of its bull development, latent doubts are starting to come to the surface. But the general feeling is that the market is relatively safe for the moment. There is much more spontaneous enthusiasm for the U.S. plus general agreement that it will move ahead again marked when the market is static or advancing at a sedate pace. But the name of the game is not the proportions of the premium and loan just under a third of trusts managed to beat the very modest rise in the Index.

On going Dutch

IN RECENT weeks Robeco has been mentioned as a possible model for the British investment trust industry to change its ways — to have the ability to buy in shares and thus keep market prices close to asset values. But Robeco emphasised at the time that the situation seldom arose because it was usually a net seller of its shares. Certainly this seems to be the case with its most recently launched fund, Roreto, which has grown to £15,500m. (about £70m.) since its inception almost exactly two years ago.

I remember at the time that Roreto looked as if it might have missed the boat with high interest rates and enthusiasm for the bond fund was tempered by fears that rates might fall. Indeed this turned out to be the case but a bond fund is not purely devoted to income, but is also concerned with capital values.

Roreto director Augustus Van Oostveen commented this week that it has proved just as exciting to manage a bond fund as to manage an equity fund and the results have also been gratifying. Starting out with Dutch long-term bonds at the beginning turned out to be correct both from the currency and the interest rate angles though now the spread is more even. Holdings are now divided 44 per cent. in U.S. dollars, 33 per cent. in Dutch guilders, 14 per cent. in D-marks and even 1 per cent. in French francs. The latter level was once nearly 15 per cent, but Roreto tends to swap around. It has even undertaken swift

Simonside

FOLLOWING APPEALS for utilisation by two shareholders at the AGM of Simonside (a £3m. trust with a North Sea bias), the company said this week that it had not rejected the idea out of hand. By 1980 or before, shareholders would be given a chance to decide whether the company should be put into liquidation and meanwhile the directors would not try to fight off a realistic bid. The problem about liquidating investments have not yet realised their full potential.

Highly Taxed?

Schlesingers' Nil Yield' Fund is designed for higher rate taxpayers

Also suitable for: Trustees, Children, CTT Planning

Investors are looking increasingly at what matters most from their investments—the net return after tax.

For higher rate taxpayers, income yield is far less attractive than capital gains made in an authorised unit trust; to the 70% taxpayer such gains are worth nearly 3 times the same income return.

The table illustrates the point:

GROSS INCOME YIELD NEEDED BY			
50% Taxpayer	70% Taxpayer	90% Taxpayer	To equal capital growth
8.7% 17.5%	14.6% 29.2%	43.7% 87.5%	5% 10%

The solution is plain: to invest for capital growth. However growth investment often involves a degree of volatility unacceptable to most investors.

The objective is to achieve this growth with a higher degree of reliability than a normal equity portfolio investing for capital growth. For this reason the Trident Nil Yield Fund—with the PIMS service—has

Three portfolios in one

1. Fixed Interest. An actively managed portfolio of Government Stocks and other fixed interest investments which, together with cash awaiting investment, accounts for 52% of the Fund.

2. Overseas growth stocks account for 27% of the Fund and current emphasis is on U.S. stocks with low yields and good prospects of

General Information

To invest, use the form provided and units will be allocated at the price ruling on receipt of your cheque. The minimum investment in the Fund is £500 or £2,500 with the PIMS service. A contract note will be sent by return. The Unit Price is published daily in leading newspapers. To Sell units, return your certificate endorsed on the back, indicating the number you wish to sell, for which you will receive the Bid price ruling on receipt. Payment is normally made within 7 days of our receiving the certificate. Commission of 1% will be paid to recognised agents. Charges. An Initial charge of 5% is included in the Offer price. A charge at an annual rate of 3% (plus VAT) of the value of the Fund is deducted from gross income to meet administrative expenses. Trustees: Midland Bank Trust Company Ltd. Auditors: Peat, Marwick, Mitchell & Co. Managers: Schlesingers Trust Managers Ltd, 19 Hanover Square, London W1. Members of the Unit Trust Association. Registered in England. No. 935855. This offer is not available to residents of the Republic of Ireland.

capital growth. Back-to-back currency facilities substantially avoid the risks of the dollar premium.

3. U.K. equities comprise the remaining 21% of the Fund by combining high quality, low yielding shares with the Capital Shares of Dual Capital Investment Trusts. This portfolio is well placed to benefit from any recovery of the U.K. economy and stockmarket.

The Fund is likely to be less volatile than an investment in any one market although the nature of any equity investment is such that the Fund should not be bought for the short term. A very small income distribution may occur every two/three years.

The aim is thus defensive, to achieve a higher net return through capital appreciation than that available from fixed interest deposits.

As a guide, in the current market conditions, the managers are aiming for a net return of 10%-15% per annum, before expenses, although of course this cannot be guaranteed. This is achieved principally or wholly by way of capital gain through active management and balancing of the proportions between the three portfolios.

Bear in mind that even 10% capital return is equivalent to 29% gross income for the 70% taxpayer.

Remember that the price of units can go down as well as up.

The benefits of PIMS

■ PIMS is the Personal Investment Management Service, exclusive to Schlesingers, which combines the merits of private portfolio management with the tax, administrative and investment spread advantages of an authorised unit trust.

■ Investors receive frequent, detailed reports on portfolio policy and are invited to regular meetings with the investment managers. The PIMS team is always available to provide expert advice.

■ A Withdrawal Facility is available to realise a regular percentage of capital in lieu of income. Schlesingers recommend a cautious and conservative approach to withdrawals, but remember that even a 2% or 6% p.a. withdrawal can be equivalent to a very high income return, either tax-free (because of the £1,000 total disposals per annum rule) or subject to a maximum of 12½% tax on the profit element only. Withdrawal payments are made on 30th May and 30th November each year.

■ Share Exchange Facilities through an attractive, cost-saving scheme are also available.

■ The PIMS service is automatically provided without extra charge for investors of £2,500 and over.

To invest, return the coupon to us with your cheque. If you wish to discuss the Fund with your professional adviser first, tick the box for more information.

To: Schlesingers Trust Managers Ltd., Freepost RCC23, 140 South Street, Dorking, Surrey. Weekend and evening Answerphone Tel: Dorking (0306) 86441

I wish to know more about 'Nil Yield' PIMS ☐

I wish to invest £ in the Trident 'Nil Yield' Fund at the price ruling on receipt of my cheque.

I would like details of the 'income' withdrawal Facility ☐

A cheque is enclosed in remittance, made payable to Midland Bank Limited.

I understand that so long as I hold units originally purchased for £2,500 or more I shall be entitled to the Personal Investment Management Service.

I declare that I am not resident outside the Scheduled Territories and that I am not acquiring the units as a nominee of any person resident outside the Territories. (If you are unable to make this declaration, it should be deleted and this application form should then be lodged through your U.K. bank, stockbroker or solicitor.) Minors cannot be registered, but accounts designated with their initials will be accepted.

Surname

First names (in full)

Address

Date

Signature

(In the case of a joint application all must sign.)

FT/107

Schlesingers' Nil Yield' PIMS

Finance and the family

No compensation on a bond

BY OUR LEGAL STAFF

I recently failed to receive interest of 5 per cent. on a bond for £500 over a flat in Glasgow and on my inquiring as to the reason was told that the property had been acquired for demolition. I was also told that any compensation I might receive would probably be small. Am I not entitled to repayment of the £500 plus accrued interest from the owner of the flat and was it not the duty of the local authority to notify me of their proposed acquisition?

From what you write it is probable that the property has been compulsorily acquired by the local authority under a Housing Treatment order authorised by the Housing (Scotland) Act 1969, and that the property now vests in that authority. When that happens, the authority do not automatically become liable to repay the bondholder the full amount of his debt. On the compulsory acquisition of such a security, a claim for compensation is only exigible in so far as the property in question will yield a debt. Thus if the value of the subjects is nil the bondholder will receive nothing. The valuation date is the date of acquisition by the authority and the value is the open market value at that date.

Where there is a demolition order over the property that market value is the clear site value, after payment of the

demolition costs. Accordingly it is quite likely in your case that this would produce a nil valuation, and you will receive no compensation. This situation is very common in cases of a compulsorily acquired Glasgow tenement, where the cleared site value will be low, and the demolition costs high.

Certainly it is the statutory duty of the local authority to notify bondholders of such acquisitions and that should have happened. We suggest that you contact the owner's agents in Glasgow and ascertain the up-to-date position, and as to why such a notice was not served on you.

No presumption of correctness

Is it correct that copies of letters and statements of account which are produced by the successors of the agents of an imposter from a letter book kept in 1939-39 by the agents could be reckoned as "ancient documents" and admissible evidence to prove possession of real property?

The letters to which you refer could undoubtedly be used in evidence; but the weight to be attached to that evidence would depend on the ability of those who seek to challenge them to

demonstrate that they are reliable, for example, that they were deliberately concocted to support a false claim. Their age will not add or detract from their evidentiary value, as they are not deeds or documents of title, where a special rule raises a presumption of their correctness after 20 years.

Fair rents and sub-tenants

An application for a fair rent has been made by the tenant of a furnished flat, seeking a rent of half the amount for which it was let to her a month earlier. A fair rent has not been previously registered and the tenant states she is letting to three sub-tenants, who could well be paying as much or even more than the existing contractual rent.

Do the Rent Acts provide for upholding a landlord's objection to the registration of a fair rent in such circumstances, or would the sub-tenants have to turn each to apply for fair rents from the main tenant? A fair rent must be registered if the applicant does not withdraw her reference, and if the tenancy is not excluded from the ambit of the Rent Act 1968. Therefore, if the tenant occupies part of the demised flat herself, fair rent ought to be

registered. However the Rent Officer ought to take into consideration the amount of the rents payable by the sub-tenants as well as the stated objections of the landlord.

An uninsured cottage I recently cancelled the insurance on an old cottage I own and let for a minimal rent. Could I be liable if some injury were caused to the tenants or a third party by (say) a falling slate?

You may well be liable to your tenant or to a third party for injury caused by the physical state of the property. It would be wise to resume insurance.

Residential status

After being for some time not resident and not ordinarily resident in the U.K. I returned to the U.K. on September 9, 1974 but not able to find employment. I left again on April 27, 1975. As I now have a job abroad, I applied to the Tax Inspector to be classified as not resident and not ordinarily resident in the U.K. for 1975-76 and future years, and have received a letter saying that my tax liability for 1974-75 is being reconsidered. Can I press my application with the Tax Inspector? Can the Inspector re-assess my tax

liability for 1974-75 to include my foreign investment income for the whole year, instead of from the date of my return, if my application is approved?

What the Inspector probably has in mind in saying that your U.K. tax liability for 1974-75 "is being reconsidered" is that, as you only remained in the U.K. for 7½ months, you may properly be regarded (with the benefit of hindsight) as resident but not ordinarily resident here and ordinarily resident as he originally decided. Broadly speaking, if you are regarded as resident and ordinarily resident for 1974-75 (from September 9, 1974), you may be regarded as resident and ordinarily resident for 1975-76 as well (up to April 27, 1975); on the other hand, if your residential status for 1974-75 is revised to resident but not ordinarily resident, you will probably be regarded as neither resident nor ordinarily resident for 1975-76. You do not give us enough information to determine the likely taxation consequences of these alternative statuses in your particular circumstances; neither is universally preferable.

Your tax inspector can let you have two free booklets which will help you to understand your tax position: IR20 "Residents and Non-residents - Liability to U.K. Tax" and IR25 "Taxation of Foreign Earnings

Discrepancy in rents

All other identical flats in the block fell due for rent revision during the recent standardisation period, and new rents were registered by the Rent Officer last November, whereas ours was registered on May 11 last. Deducting the service element, our net rent has been assessed at £346, against £794 for the others, or an increase of 18.4 per cent. in six months. Did the standardisation legislation benefit the other tenants by backdating the assessment of their new rents, or would the fact of our previous registration being £100 higher than theirs account for the difference; although then there was 12-18 months between the registrations?

We think that neither explanation suggested can properly account for the discrepancy. Registrations date back to the date of reference to the Rent Officer. Unless the rents registered in November last were referred to the Rent Officer considerably earlier, the registered rents of your flat and the group of other flats can hardly both be correct if all the flats are truly identical. The remedy is to appeal to the Rent Assessment Committee.

TWO MOTOR insurance problems, perhaps legal-technical in nature, but of practical consequence, have been brought to my notice by two friends, one of whom inadvertently allowed his motor cover to run out, and the other who wanted to change insurers.

So far as the first problem is concerned, I emphasise inadvertently, because my friend is a conscientious, methodical and law-abiding citizen, who at one, and the same time, became the victim both of pressure of work with consequent inattention to personal matters and of the failure of the post office to deliver his motor renewal notice.

The practice of most, but not all motor insurers in Britain is to provide the policyholder with 15 days' cover against compulsory insurable Road Traffic Act liabilities, this period to run from the date of expiry of his annual policy, to enable the policyholder lawfully to use his car on the road while the new year's premium is paid over and before the new annual motor insurance certificate is delivered. Of course, if these two tasks can be done prior to the actual expiry of renewal date, so much the better, for then the temporary 15-day cover incorporated in the renewal notice never comes into effect time, but had been a courtesy by the insurer's wanton neglect; and so, vii, he had sought a quotation, fixed on a new insurer's proposal form and with his cheque, to which he had no confirmation of acceptance of his proposal received nor incorporating any motor insurance certificate in his new insurers.

In these circumstances, asked whether on the 15 days, he could continue fully to drive on his his old policy and in his 15-day certificate issued in his renewal, I'm afraid I had to reply to say "no". My friend had not had an acceptance for his proposal, was I would be forthcoming the probable reason delay was that the I was up to its tricks, a was intent on changing and it would be wise to try to rely on a provided for policyholder on continuation.

But depending on the degree of sympathy of individual insurers, the length of time his

policy has been in force, perhaps legal-technical in nature, but of practical consequence, have been brought to my notice by two friends, one of whom inadvertently allowed his motor cover to run out, and the other who wanted to change insurers.

John Phi. examines the of inadvertent un-insurance

My second friend, I may help on the day motor policy expired, had his renewal notice time, but had been a courtesy by the insurer's wanton neglect; and so, vii, he had sought a quotation, fixed on a new insurer's proposal form and with his cheque, to which he had no confirmation of acceptance of his proposal received nor incorporating any motor insurance certificate in his new insurers.

In these circumstances, asked whether on the 15 days, he could continue fully to drive on his his old policy and in his 15-day certificate issued in his renewal, I'm afraid I had to reply to say "no". My friend had not had an acceptance for his proposal, was I would be forthcoming the probable reason delay was that the I was up to its tricks, a was intent on changing and it would be wise to try to rely on a provided for policyholder on continuation.

Taxation

THE FINANCE BILL is about to blunder on into its final (Report) stage. The Government, having been driven into a corner on its siltier measures has promised amendments. We shall see whether these go far enough. The main issues in the Bill, readers will remember, concern the "snooper" provisions and the treatment of benefits in kind. The real issues go deeper: the tax burden on the wealth creators of this country is now far higher than is acceptable to those who pay these taxes.

This "wait and see" period is a good time to reflect on the principles of taxation, principles we need to study when the country decides (or is forced) to

set out on the long road back to economic sanity. I also find that we are now half-way through bicentennial year, and I have not yet in this column, quoted from the work we celebrate. A document written in Philadelphia in 1776 has had a profound, and duly noted effect, on world history, but to an economist the bicentennial to celebrate is of the publication of Adam Smith's *Wealth of Nations*. If only the work had had the same, and continued influence as the Declaration of Independence, our country to-day would be a happier and more prosperous place.

Harold Wilson's resignation honours list was much criticised, although I was delighted to see John Vaisey's name on it. My immediate thought was that given that Sir Harold apparently spent the whole of his childhood being photographed outside No. 10, he may have

missed out on normal childhood reading. Perhaps, before framing his honours list, he repaired the deficiency and maybe read somewhere that "whoever could make two ears of corn, or two blades of grass to grow upon a spot of ground where only one grew before, would deserve better of mankind and do more essential service to his country than the whole race of politicians put together." What a pity for the country that he did not learn this lesson earlier. What a pity, too, that he did not, during his term of office, learn some of the lessons of Adam Smith.

Adam Smith laid down four principles of taxation—equality, certainty, convenience of payment and economy in collection. All are relevant to-day, and two of them are highly topical.

Taxes, says Smith, "ought to be certain and not arbitrary. The time of payment, the manner of payment, the quantity to be paid ought all to be clear and plain to the contributor, and to every other person. Where, it is otherwise, every person subject to the tax is put more or less in the power of the tax-gatherer, who can either aggravate the tax upon any obnoxious contributor, or extort, by the terror of such aggravation, some present or perquisite to himself. The uncertainty of taxation encourages the insolence and favours the corruption of an order of men who are naturally unpopular, even when they are neither insolent nor corrupt."

If this was true 200 years ago, how much more so to-day when, at a 98 per cent. top rate of tax, a small anomaly in the basis of computation can leave the poor

taxpayer with a negative net income! The Inland Revenue have a professional responsibility to collect taxes. Of course, they are pre-occupied with avoidance and evasion. Of course, they would like over-kill discretionary anti-avoidance provisions. Of course, they would like powers to search, brow-beat, and probably also to use the rack and thumbscrew on citizens they suspect of evading their taxes. The interest of the public demands that they should be denied these powers, and indeed that their concerned with the actual enforcement of taxes should have as little say as possible in the drafting of tax legislation.

I have in the past referred to the Revenue attitude as the "Sodom in reverse" principle. "If there be 10 unrighteous tax avoiders in the city, I will destroy the whole city for their sake."

Adam Smith's fourth principle is that "Every tax ought to be so contrived as both to take out and keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the State." This could happen even in 1776, in four ways, all of which apply to-day. First, collection "may require a great number of officers, whose salaries may eat up the greater part of the produce of the tax." (I have already pointed out that the U.K. Inland Revenue employs as many people as the IRS in the U.S., much larger country.) "Secondly, it may obstruct the industry of the people." "An injudicious tax offers a great temptation to smuggling" (or in our day, evasion). "Fourthly, by subjecting the people to the frequent visits and the odious examination of the tax-gatherers, it may expose them to unnecessary trouble, vexation and oppression."

For every pound accruing to the Treasury, the cost to the citizen will exceed a pound, perhaps by a substantial margin. (The trade-off is made even worse when one realises that many of the pounds spent by Government benefit the citizen less than if he had had the cash to spend as he chose.)

The present Government has recently shown itself aware of this point in the proposal to replace the vehicle tax with a higher fuel tax on grounds of collection costs. But surely the



Adam Smith

same argument applies, with even more force to those taxes which fall on enterprise and savings. Higher rate taxes and CTT need proportionately more collectors to "eat up the produce" than other taxes. They notoriously "obstruct the industry of the people" and submit citizens in exceptional degree to the "odious examination of the tax-gatherers." Any Government interested in the prosperity, rather than the servility of its citizens should surely scrap these taxes, which actually produce negative revenue on any rational economic analysis. What better year to do it than the bicentenary of Adam Smith's great work!

JOHN CHOWN

Chess

TONY MILES, Britain's first grandmaster, again confirmed his skill at the faster tempo of weekend tournaments when he won the annual Greenwich Festival Open at the Charlton Congress last month. It was Miles's third successive week-end victory following Dublin and Ilford.

Miles proved a convincing winner of the £1,000 national circuit for the £1,000 Surrey Grand Prix, but he has more international commitments this year (as this article appears he is playing in the IBM tournament in Amsterdam against opposition led by the world No. 2 Korneelov) and may not retain the Grand Prix.

His chief rival, David Rumens, who has already taken the Hastings challengers and opens at Borehamwood and Guernsey, further strengthened his position last week-end when he won the leading North of England congress at Manchester.

Thus it was a piquant situation when Miles, after winning his first five games in the Greenwich Festival Open, had to play Miles in the final round, with the grandmaster half a point behind. Rumens has an attractive attacking style and got full value for an interesting gambit, but experience triumphed in a game which contains several points for average players to note.

White: A. J. Miles. Black: D. E. Rumens. Opening: Goring Gambit (Greenwich Festival Open 1976).

The opening moves were 1. P-K4, P-K4; 2. N-K3, N-Q3; 3. P-B3, N-B3; 4. P-Q4, P-P; 5. P-K5, N-K5; 6. Q-K2, P-Q4; 7. P-K6, P-B4; 8. Q-N2.

The game has begun with an old-fashioned Ponziani (3-P-B3) but has transposed into a modern gambit. However, Black's defence is considered risky (4... N-KP1) and Miles could have tried here 5. N-K5, N-N5; 6. P-N5, B-K5; 7. Q-R5, Q-R5; 8. B-N5, B-K5; 9. Q-Q1, Q-Q1; 10. K-B2; 11. P-N3, B-P; 12. P-K6, Q-R; 13. P-K6, B-P; 14. P-K6, Q-R; 15. P-K6, B-P; 16. P-K6, Q-R; 17. P-K6, B-P; 18. P-K6, Q-R; 19. P-K6, B-P; 20. P-K6, Q-R; 21. P-K6, B-P; 22. P-K6, Q-R; 23. P-K6, B-P; 24. P-K6, Q-R; 25. P-K6, B-P; 26. P-K6, Q-R; 27. P-K6, B-P; 28. P-K6, Q-R; 29. P-K6, B-P; 30. P-K6, Q-R; 31. P-K6, B-P; 32. P-K6, Q-R; 33. P-K6, B-P; 34. P-K6, Q-R; 35. P-K6, B-P; 36. P-K6, Q-R; 37. P-K6, B-P; 38. P-K6, Q-R; 39. P-K6, B-P; 40. P-K6, Q-R; 41. P-K6, B-P; 42. P-K6, Q-R; 43. P-K6, B-P; 44. P-K6, Q-R; 45. P-K6, B-P; 46. P-K6, Q-R; 47. P-K6, B-P; 48. P-K6, Q-R; 49. P-K6, B-P; 50. P-K6, Q-R; 51. P-K6, B-P; 52. P-K6, Q-R; 53. P-K6, B-P; 54. P-K6, Q-R; 55. P-K6, B-P; 56. P-K6, Q-R; 57. P-K6, B-P; 58. P-K6, Q-R; 59. 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Motoring

Sport



Variation on a theme

TUART MARSHALL

ORD began planning an updating feature. Even so, the 104's original 954 cc engine is much less buzzy than when it is working hard and has remarkable flexibility. You can hang on to top gear on hills almost indefinitely. Yet it zips up to 45 mph in second and 70 mph in third and holds 80 mph on the autoroute happily, with another 10 mph in hand.

Performance is considerably better than in the original 954 cc engine 104, which continues to be available though with five doors. Top speed is 7 mph higher at 90 mph and it reaches 60 mph from a standing start in about 16 seconds — an improvement of more than three seconds. Average fuel consumption is claimed as 33.6 mpg against the smaller engine car's 36.2 mpg.

In appearance, the 104 has hardly changed at all. It always has looked like a five-door. You only realised it wasn't when you went round to open the tailgate and found it was a boot. Now the whole back lifts up, taking the parcel tray with it on a couple of little cables.

The sill is flat though the rear light clusters make it narrower than it used to be. Lowering the back seat, which is wide enough for an occasional third person, turns the 104 into a semi-estate car with a load floor almost four feet long.

A great advantage the Peugeot has over some of its competitors like the Fiat 127 or Renault 5 is that it has four passenger doors. The back seat is easy to enter and leave without any risk of falling over the seat belts: the rear doors are equally handy when you are trying to put things into the front of the load space.

French car makers really understand seats and the little available. The Renault 14 Peugeot's are squishy comfort. The suspension is fairly 10-year-old 104 has it as soft, too, and together they provide a very good ride over rough roads. If you insist on trying to drive the 104 like a sports car, it will roll quite a bit on corners. Upholstery is a combination of cloth and leather plastic. The fascia is functional rather than elegant. But there is plenty of storage space on and under it and reasonably effective fresh air vents at either end.

There are now five different 104 models. Three are five-door saloons and two are shortened, three-door coupés. The range sold in Britain will be expanded to include both the 954 cc and 1,134 cc engine, five-door saloons and the 1,124 cc engine 2S coupé.

Together, the various 104 cars will probably account for about 30 per cent of Peugeot's total sales here. More than 25,000 of the old 204 saloons and estates have been sold in Britain and the 104 now accounts for close to 15 per cent of current Peugeot sales.

The 204 diesel has died, too, but its engine lives on in the 304, which remains the world's smallest capacity diesel car. But not for much longer, because Volkswagen will be introducing its diesel-engined Golf later this year. Peugeot had hoped to import 204 diesels into Britain along with their 504 diesels, but right-hand drive conversion proved too difficult.

For this reason the 304 diesel will not be sold here, either. Another new version of a familiar car has been announced this week. This is the Morris Marina estate with a 1.3 litre engine, cheaper at £2,125 and more economical than the 1.5 litre Marina estate (£2,360). As I wrote earlier this year, regretting that Leyland did not offer a 1.3 Marina estate, it should be a splendid family holdall for the economy minded who are not too bothered about performance.

SEVERIANO BALLESTEROS, the 19-year-old Spaniard from Santander, fought an afternoon-long battle with the vastly experienced Californian Johnny Miller in the third round of the Open Championship here at Royal Birkdale in a blustery south-westerly after heavy showers at lunchtime—and won.

Ballesteros went round in 73, as did Miller, the U.S. Open champion of 1973, and so the ex-caddy, whom everyone expected at last to yield to the pressure today, proved that his courage and youth was a match for anything that the best golfers in the world could throw at him.

He has now had rounds of 69, 69 and 73 for a five-under-par total of 211, Miller rounds of 72, 68 and 73 for a three-under-par 213.

Tommy Horton, the slim Channel Islander who won the last British tournament, the Uniroyal, at Moor Park, recorded a superb eagle three at the final hole for the second day running to become the leading British player at 215 after rounds of 74, 69 and 72, and thus stay one stroke ahead of the consistent Australian hope, Graham Marsh, who has now had rounds of 71, 73 and 73 to reside at level par 216 alongside U.S. Masters champion Ray Floyd (76, 67, 73) and the mighty Jack Nicklaus (74, 70, 72).

The latter has known many frustrations in recent months, but surely never so many put in one round as he did today. In one round he lost or slid tantalisingly but an inch or two away from the hole as he tried today for this great American.

At 217 came Tom Kite of Texas, who was in no way helped by the heavy showers in early afternoon, and the persistent Irishman Christy O'Connor Jr. On 218 are Bobby Cole of South Africa and the big Scot, Brian Barnes, and it seems to me that the championship will be decided to-morrow among this group, although there are six players at 219 ready to pounce if the 10 players in front of them all happen to come adrift in the final round.

Obviously the odds are in favour of the three Americans at level par and better, and Australia's No. 1 Marsh. But who can say that any more, now that the extraordinary and gifted Spaniard, Ballesteros, has held up so well for a third day running.

His performance today was all the more meritorious because he was paired with Miller, and after nine holes had dropped four strokes to par to be two behind his illustrious rival.

But how this handsome, smiling six-footer battled over the inward half! He got even with Miller with a birdie at the 10th, and a bogey for the latter at the 11th.

Miller really came adrift at the 13th and 14th holes. At the former he hit a tremendous drive, and then shanked his second shot with a long iron into a green-side bunker. At the 13th-14th hole, he shanked again—this time with what looked like a four iron—and dropped a stroke to par.



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SOUTHPORT, July 9.

Both men hit wildly hooked drives at the longest hole on the course, the 542-yard 15th, where the south-westerly was mostly in the face and predominantly left to right at the time. Ballesteros came out better in terms of the lie, and he made his par while the Californian dropped another stroke to go two behind.

There was nothing finer all day than the glorious medium iron shot that this joyously uninhibited Spaniard struck down the wind from the right-hand rough eight feet from the hole at the 526-yard 17th, where he almost casually rolled in his putt for an eagle three, that made Miller's birdie look almost ordinary, and it was anything but that.

The American had gone through the green with his second shot, but got up and down with a chip and nine-foot putt.

At the last, Miller showed his class by playing the hole flawlessly, again wind-assisted, for the simplest of birdie fours.

Ballesteros, with the adrenalin flowing free, went through the green, as had Barnes and the Japanese, Suzuki, before him. Just as had Suzuki, Ballesteros elected to putt the ball and only get halfway to the hole—maybe a sign of nerves, but I prefer to call it inexperience.

The Spaniard's par five enabled Miller to get within two strokes of him again, and Ballesteros may well come to rue that costly blunder tomorrow evening. We shall see, and tomorrow's battle will be just as intriguing as was that of today.

Nicklaus and Floyd had their own battle royal, and the former had much the better of things on the way home, getting back to the clubhouse in 38 shots to Floyd's 39.



Severiano Ballesteros

On the run-in, Nicklaus played superbly without any vestige of luck. I cannot but think that he will be hard to beat tomorrow, for nothing has gone with him so far.

He chipped two feet from the 13th hole for a birdie after coming up fractionally short at this dangerous downwind par five. He lipped out a birdie putt from 30 ft. at the 14th, played the 15th perfectly while Floyd visited the jungle to the right to drop a stroke, and made a marvellous save at the 16th.

Here both men held up their second shots to the green too much into the wind sweeping across from the left, and were forced to pitch and putt for their pars. Nicklaus got down from nine feet, Floyd from four.

No praise is too high for the slim Horton, who played with commendable calm and efficiency.

Horton hit a rather poor loose second shot away to the right and short of the 16th green, but pitched up bravely and holed out from eight feet for his par four. At the last he matched the eagle three of yesterday evening off a colossal drive, described by those who had sat in the grandstands for three days as the biggest of the championship.

Of the many casualties (66 players qualified at 226 and better), defending champion Tom Watson, with a round of 80 for a total of 227, was perhaps the saddest.

The other mighty fallen was the U.S. Open champion, 22-year-old Jerry Pate, who had been well in contention at the start of the day at level par but who took a horrible 87 and was plainly upset.

BEN WRIGHT

Cricket

IT HAS been a sad, bad day for English cricket. First, England crumpled before the West Indian pacemen and were dismissed for a miserable 71. Then the West Indies painfully exposed the limitations of our attack as they quickly and effectively added 100 in an already formidable first innings lead.

The tourists had not only snatched the initiative but, providing the weather remains fine, must surely gain an overwhelming victory. At stumps they were 163 for 1 and three days are still left to play.

The formidable combination of three genuine fast bowlers, Roberts, Holding and Daniel, a pinch of uneven bounce and an overcast sky proved far too much for England as they crashed to 71 all out, the lowest score ever recorded by them against the West Indies.

They started the second day of the first test at 37 for 2 since Close and Steele, who had registered an almost flamboyant 30, had both departed in the 80 minutes of the previous evening.

Eidrich and nightwatchman Pocock resumed completely, if not confidently, against the menace of Roberts and Holding. They were helped by an edge from Pocock which dissected the slips at catchable height and went to the boundary, but at 46 Pocock was caught off Holding. That was the beginning of the end with only a boundary from Greig to relieve the depressing sight of batsmen making their way to and from the pavilion in rapid succession.

Unlike their opening burst on the first day, the West Indians were on target. They made the batsmen play and were fast enough to escape punishment



Michael Holding

WEST INDIES, First Innings 211; Second Innings 163 for 1. ENGLAND, First Innings 71 (Holding 3 for 17, Roberts 3 for 22, Daniel 2 for 13).

When they produced the occasional full toss.

Eidrich was snapped up behind pushing forward and Hayes had the misfortune to encounter the length that lifted sharply and gave him no chance. Greig briefly attempted to launch a counter-attack which was ended by Daniel, who had replaced Roberts.

Woolmer was a shade unlucky to touch a very good ball from Holding, who also had Knott caught behind, knocked Underwood's leg stump out of the ground and, to complete this ignominious rout, clean-bowled Hendrick.

England were left ruefully contemplating the wreckage of an innings in which the last eight wickets had tumbled for

Tennis

EVEN the wheeling seagulls were celebrating at Eastbourne yesterday as Britain advanced to the final of the European B Zone of the Davis Cup for the first time since 1969, and a match early next month at Wimbledon between the winners of next week's tie between Italy and Sweden.

But their song was drowned by the whoop of delight that greeted the four-set doubles victory of the Essex brothers John and David Lloyd as they beat Francois Jauffret and Patrick Proisy.

It took the Lloyd brothers just 130 minutes to record their 6-2, 6-4, 9-11, 6-3 win, a victory that vindicated the bold decision of the British captain, Paul Hutchins, to drop the controversial British No. 1 Buster Mottram, in favour of 25-year-old David Lloyd.

Hutchins himself was involved in controversial happenings yesterday. With his men in full flow (David Lloyd has surely never hit his forehand so well) and the first two sets already won, a rout seemed a possibility. With the score one game-all in the third set and Proisy standing at 30-40 on his delivery, David flicked a sharply angled backhand volley past the forlorn Frenchman. The ball landed close to the sideline—outside it, thought the linesman—a view that the entire British team disputed.

Eventually, after heated appeals from Hutchins, the Belgian referee, M. Henri de Coninck, at the court side ordered him to return to his seat and asked umpire Peter Arnot to make the following announcement: "I am asked to say that the referee has formally admonished the captain of the

British team."

Following the Davis Cup farce in Bucharest a few years ago when the Rumanian captain literally manhandled the Argentine referee Enrique Muresa, the Davis Cup rules have been stiffened to give referees sweeping powers of authority. Commenting on the admonishment afterwards, M. de Coninck said: "Hutchins has talked more to his players in the past two days—even after each point—than I have ever seen a captain do in my 16 or 17 matches as referee. He would not sit down when I asked him and would not accept my decision."

It seemed to me that Hutchins was right in support his players in view of some hesitant and decidedly weak control of affairs last Friday.

During the interval that is allowed after the third set in all Davis Cup matches, British batteries were recharged, and it was Proisy who was broken in the third game to give the Lloyds the lift they needed. Moving smoothly to 5-3 they were back in command again, and it was fitting that they should clinch their victory by breaking Jauffret to 30.

At last we have a pair who look as if they enjoy playing together. They were always busy, always trying something to engineer their breaks. If David was the best player on the court, with forehand rampant, smash lethal, and his service unbroken, then Proisy was surely the worst, with his overhead frailty.

"This week we have had a fantastic spirit," said Hutchins. "We brought David in to do a job and he has just done it. I have already told the boys that the same team will play against Sweden or Italy. I was hoping to win this tie 3-2 or 4-1—it was too much to expect 3-0 so naturally I am delighted."

JOHN BARRETT

CARS

acing

THE small size of the o-day's £10,000 John Magnet Cup at York was a fine race, for each of the nine must be respected. ea of the best each way in this highly competitive, which a year ago d through swamp-like id, is the Findon Chal-

True Shot, a handsome On ark colt has put up orthy performance on appearances this time, time out he did particu- all when giving Saturnus and three quarters of h beating in Sandown's indicap.

rd's back of the field early stages, True Shot hrough strongly close o comfortably outpace ner up, who just got the if several others headed al Augustus.

acing

A progressive sort, the best of whom has not yet been seen. True Shot is taken to score at the main expense of Aviator trained by that specialist of sponsored events, Sam Hall:

YORK
1.30—Monk's Chant
2.00—Nottingham
2.30—True Shot
3.00—Referendum***
3.30—Furidetta
4.00—Modern Times
4.30—Rory's Rocket***

LINGFIELD
1.45—Tudor Lift
2.15—Prince Pepe
2.45—Man of Harlech
3.15—Euston
3.45—Rly High
4.15—Sailing Along
4.45—Fire Plan

CHESTER
2.00—The Master's Rocket
2.30—Glo
3.00—Cadogan Lane

Whatever his luck with the course winner Aviator, Sam Hall, who rates this as his favourite

acing

course, should not be long in waiting for a winner, for Referendum seems poised to land the Harp Lager handicap. This progressive chestnut, who was narrowly beaten by Venus of Streatham at Doncaster in May, produced his best form to date last time out when running True Shot's stable companion, Sreaker King, to the minimum distance, in Ayr's Long Hill Stakes.

With just seven stone nine lbs. and the valuable services of Willie Carson, who may, however, have to put up a pound overweight, Referendum should prove too smart for another locally trained three-year-old, Senator Sam.

That popular trainer, John Dunlop, who has his 37th birthday today, can celebrate his anniversary through Rory's Rocket, among the runners for the Fishergate Handicap, and through Man of Harlech who goes for another brewery sponsored prize, the Watney Mann Stakes, at Lingfield.

DOMINIC WIGAN

FOR 5 Olympics

EAL, July 26 (Agen- With a devastating last- cord, Britain's Brendan o-night struck gold in 1 of the Olympic 10,000 Foster clocked a searing 30.2 sec, six-tenths of d inside David Bedford's mark.

nd's Lasse Viren, the gold medalist, won the in 27.35.8. The bronze icked by Miruts Nifter, unnative Ethiopian track lo clocked 27.40.1, half d ahead of New Zealand's Juar.

NOW. Whether the ill be humming like that days' time I cannot say. blur of preparation for ern Olympiad, anything The line-up for the final Montreal 10,000 metres, clude medal-class prodio ho have blossomed over- The medalists' times e 15 seconds slower or onds faster. Viren may er. Quax may catch a Yifter may stay in bed it for the marathon. And between now and 3 Foster could fall victim of the pressures, emo- or physical, that shadow ide of the long distance must hope that he won't e Foster—"Big Ben" as inconspicuously known to is of followers—is his 10pe, our marked ace, for

an athletics gold in Montreal. Truth to tell, Britain's decline as an Olympic power is described by a curve of the greatest purity. In London, in 1908, when the Olympics were run like a vicarage tea party, we hauled in enough gold medals to finance a war.

We won two archery, five boxing and five cycling titles. At athletics we won the 400 metres, the five miles, the 3,000 metres steeplechase, two walks, the triple jump, the team three miles, and the tug-of-war. Naturally we won the soccer and of course we won the hockey. We were peerless at polo, ruthless at rowing and unconquerable on the shooting range. We wrestled with élan, swam with distinction and yachted in style. Nor were the chaps quite finished, for we cleaned up at tennis, motor boating and racquets. Our gold medal tally: 55.

Since those heights, we have slipped back fast. Thanks to her early successes, Britain is still third in the all-time table of summer medal winners. 1896-1972, with 1571 gold, 1831 silver and 163 bronze medals. But as the Games have embarked upon their megabuck expansion and as the number of competitors has grown from 311 in Athens in 1896 to the 9,246 expected in Montreal (plus what the organisers call 3,235 escorting staff), our triumphs have stood out in magnificent isolation.

In Tokyo we won four golds, all at athletics. In Mexico, five golds—only one at athletics. In Munich in 1972 we won four



Five of Britain's medal hopes. Left to right: Geoff Capes, shot putt, Lucinda Prior-Palmer, three-day event team, Rodney Pattison, Flying Dutchman class dingy, Keith Remfrey, heavyweight and open judo, and Brendan Foster, 5,000 and 10,000 metres.

golds (Mary Peters' pentathlon, Foster and Ian Stewart for the individual and team equestrian three-day events and in Flying Dutchman class in the yachting).

Which brings us to Montreal. The Games begin next Saturday with that ludicrous and costly though unavoidable extravaganza, the Opening Ceremony. The world's finest athletes, uncomfortable in the heat, will march round in blazers, the Olympic Oath will be restated, the flame (which has been bounced from Greece by satellite) will be brought into the stadium and the obligatory doves will flutter skywards.

So, who are our hopes for the 1000th anniversary of the first Seven weeks ago, our medal prospects numbered eight:

ham, latest opinion rates her No. 3 in the world over 100m, and at No. 8 or thereabouts in the 200m.

"That could be right," she told me last Sunday. "In the 100 the start is the problem, in the 200 I must learn to handle the bend." In the shorter event she could clock 11.20 in Canada, so she could take the silver.

Among the men, David Jenkins may still run into a medal over 400m, but in recent weeks has been nigged by injury. At Crystal Palace last Saturday there was clucking among the clock-watchers at the relative slowness of Jenkins' win in the match against Poland and Canada. He won in 45.65, more than half a second slower than he had run in Brussels 10 days

previously, 0.73 seconds off his own U.K. record and in all probability around 1.2 seconds off the sort of time that Cuba's Alberto Juantorena and America's Maxie Parkes will throw at him in Canada.

Steve Overt, a brilliantly talented, natural runner, is our man for the 800m, and 1,500m, though at the longer distance he will be involved in what promises to be one of the Olympic races of the century: New Zealand's John Walker, the world mile and 2,000m record holder, versus Tanzania's Filbert Bayi, the reigning 1,500m king.

Overt's best chance, therefore, is at 800m. The advantage he takes to Canada is the fact that his opponents know little of his style. His handicap is that he has yet to run faster than 1.46.7 this year whereas his principal opponents are under 1.46.0.

On the field, shot putter Geoff Capes, a 22-stone, 6 ft. 5½ in. budgetary-breeding policeman, has been grooving consistently in recent weeks at anything up to 21.55 metres (70 ft. 8½ in.—his new U.K. record). Another heave, another 15 centimetres or so, and he could win the title.

Which takes us back to Foster and his running-mate in the Montreal 5,000 and 10,000 metres, Ian Stewart. Stewart, the Munich bronze medalist at 5,000m, may not be the force he was. But Foster, who topped the world 10,000m rankings last year, will go in pursuit of the double gold that fell to Viren (1972), Vladimir Kuts (1956) and Emil Zatopek (1952).

At 5,000 metres he has much to fear from Rod Dixon, an exuberant New Zealander who says that since his Munich bronze medal at 1,500 metres he has learnt a lot about racing aggressively and about his rivals' personalities. At 10,000 metres Foster's tactical astuteness, surging strength and killing finishing speed could help him to the gold. He has to be our banker.

Elsewhere in the Olympiad, Britain's brightest hopes are probably shouldered by the equestrian and show-jumping teams: by our yachtsmen: by one, or possibly three, of our judo team: by flyweight boxer Charlie Magri: small-bore rifle shooter Barry Dagger: swimmers David Wilkie and Brian Brinkley, and possibly by our rowing eight as well as Mike Hart and Chris Bailieu in the double sculls, particularly if Britain chooses to use the plastic and carbon fibre constructions, Carbon Tiger and Carbon Cub, that have been shipped to Canada.

Britain's yachting prospects on Lake Ontario were examined last week by Alec Beilby, who forecast a gold in the Flying Dutchman class, the Tornado and the Finn class; a silver in the 470 class and a silver or a bronze in the Soling and Tempest categories. I won't demur.

In the equestrian competition there seems no reason why three-day event team—Princess Anne, Lucinda Prior-Palmer, Hugh Thomas and Richard

Meade (the reserve is Mark Phillips)—should not repeat Britain's gold medal exploits of Munich, Mexico and Stockholm. Nor why the show-jumpers shouldn't be there or thereabouts.

Magri, 19, is a tailor's cutter from London's East End who dresses snappily and boxes like a venomous puppet—in, out, in, out, a powerful and accurate puncher who should crunch his way safely to the final.

At judo, our best medal prospects are considered to be middleweight Brian Jacks, the 1972 bronze medalist, and lightweight Dave Starbrook, the Munich silver medalist. For good measure I would add the name of Keith Remfrey, our 18-stone, 28-year-old combatant in the heavyweight and open classes.

All told, it is possible that Britain will win four athletics medals; a boxing and a judo medal; a rowing medal; a medal or four at the equestrian centre at Bromont; a bronze, perhaps in the swimming pool; anything up to six medals (including three golds) on Lake Ontario and a silver in the shooting.

It might not sound a lot when put against the mega-medal hauls that the Americans and Russians go in for, but they do not enjoy themselves. The more medals they win the more miserable they become. Let the British have fun.

MICHAEL THOMPSON-NOEL

by Lucia van der Post

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SATURDAY, JULY 10, 1976

Two industrial strategies

THE PRIME Minister and the Chancellor have both made it increasingly clear during the past few weeks that the strengthening of the country's industrial base must take priority for some considerable time to come over increases in public and private consumption expenditure. This, they acknowledge, will probably mean further cuts in planned public expenditure and an improvement in the profitability of industry.

A week ago, to take the latest example, Mr. Healey pointed out that it might prove necessary to cut the public sector borrowing requirement: since further increases in taxation would probably upset the agreement on voluntary wage restraint, further cuts in expenditure might be unavoidable. The figures of public revenue and expenditure for the first quarter of the financial year, in fact, do little to support some recent suggestions that this year's borrowing requirement will be well below the original forecast. The Government would certainly be obliged to reduce next year's requirement if it were to apply to the International Monetary Fund for further assistance, as it may be forced to do later in the year. For obvious political reasons, it may prefer to act indirectly, rather than seem to be forced into action by foreign bankers.

Public spending

It is probably in this context that one should read Mr. Healey's speech in the economic debate at the beginning of this week, when he said that the latest estimates suggested a rather faster recovery in national output than expected at the time of the Budget and pointed out that he had various monetary weapons at his disposal to mop up excessive liquidity. The latter point was presumably aimed at observers abroad rather than investors at home, who have been buying steadily into the new long tap stock. The former was presumably meant to emphasise that the boom in exports and the incipient recovery of stock-building reinforced the case for reducing the demands of the public sector on available resources. It is widely expected that the Prime Minister will make some statement on public expenditure for next year before Parliament rises for the summer recess.

Letters to the Editor

Pension funds

From Mr. M. Oldfield.
Sir, Letters appearing on June 28 and 29 of varying degrees of emotion deal with a subject which can be reduced to purely practical considerations.

Forty-eight per cent. of the work force is in occupational pension schemes, 43 per cent. of the work force in trade unions and there is no known co-relation between these percentages. Many pension funds are already run by committees comprising 50 per cent. members and 50 per cent. management. There are, therefore, two objectives which might be considered desirable: (a) The 52 per cent. of the work force which is not in any occupational pension scheme should be so provided for; (b) Those pension funds not managed by committees including members might be encouraged in this direction.

Legislation foreshadowed by the White Paper is not likely to help to achieve either objective, in fact quite the reverse. Employers with no scheme at present are likely to be discouraged by any further legislation, particularly a requirement to do something with which the employees themselves may not agree. Furthermore, those employers at the present time who have schemes, however levels of which they guarantee, are likely to withdraw such underwriting if there is any prospect of the investment policy of the fund being determined by those to whom the maximising of profit might not be the guiding principle.

M. H. Oldfield.
Executive Director,
Allied Breweries Pension Trust,
Denmark Street, Bristol.

From Mr. W. Williams.
Sir, I detect more than the usual touch of hubbub and hyperbole in your editorial (July 7) sparked off by the DTI report on Lonrho.

Perhaps you could inform us where you draw the line between a body which is to define and monitor the role of directors and the excessive bureaucracy which already exists? Your paper has rightly criticised the stifling

effect of such interference. You seem to be bending with the political wind in seeking to condemn on largely political grounds a company which has been commercially successful. The words were uttered with the object of appeasing the anti-capitalists, which they singularly failed to do.

Might I suggest that it would be safer to limit one's criticism to the financial success or otherwise of a company and not indulge in philosophical arguments on what is good for society.

Finally, it is reasonable to suggest that this one company's links with the whole of Africa and the Middle East are somewhat more tangible than those of the British Government whose cause you appear to support.

J. J. Williams.
T. Tressler Road, Falmouth.

From Mr. E. Baker.
Sir, Michael Dixon proposes in a single article (July 3) that "the professional trend (among teachers) remains steadily against the use of coercion" while teachers who reprobate physical measures are "far outnumbered" by those of contrary opinion. Such contradictions are no substitute for serious argument.

His suggestion of "children running riot at school" with the blessing of educationalists recalls the emotive language dear to the National Association of Schoolmasters and Union of Women Teachers. The National Foundation for Educational Research's "Survey of Rewards and Punishments in Schools" (published in 1952) found that many children particularly dislike physical pain, and it hardly needs the three years' research which Mr. Dixon quotes to re-establish the same unstartling fact for the NAS/

UWT, who are notoriously "partisan" in any case. It is symptomatic that some of their members are currently threatened with disciplinary action in Newcastle for refusing to teach five pupils whom all the other teaching unions agreed should be reinstated after six months' suspension for their part in a demonstration against the introduction of corporal punishment which already exists? Your paper has rightly criticised the stifling

The publicity which that and

ONE MAN'S ATLANTIC RACE

TO BEGIN at the end. The day of the finish is really tearing along at nine knots in beautiful. The sun is a force five south-easterly, on shining. Rhode Island Sound is full of sailing boats. The wind is blowing 16 knots. Visibility is three miles, which is two miles and 1,740 yards more than it has been for the last day and a half. I am on port tack, close hauled, under full sail and on course for the finishing line, ten miles away.

At this moment, I believe FT has won her class. I have heard by radio that only five boats have finished. I am one day ahead of my target of 28 days for the crossing. At last I manage to make radio contact with the Ida Lewis Yacht Club at Newport. They tell me there are now six finishers and two of them are Jester class boats (under 28 feet waterline length). I am going to be third.

I allow myself a brief moment of disappointment. But it is too good a day for that emotion to remain dominant for long. It is quickly overtaken by a heady mixture of relief that the race is over and that I am out of danger, anticipation of the finish and seeing my wife again, and sheer exhilaration at a project which began as a dream four years ago is about to come full circle. I even tell myself that I would rather be third than second and believe it. I detach the self-steering gear and take over the helm myself to take FT across the line. It is the first time that I have steered the boat since the Scilly Isles.

The last two days have been the most frightening and dangerous of the race. For 30 hours I have been in thick fog. I have missed being sliced in two by a crawler by 15 yards—I never saw him, but he saw me at the last minute, and put his helm hard over with his siren blaring. With visibility down to zero, I have had to cross a busy shipping lane. Finally, in a state of near exhaustion, unable to see a thing and uncertain exactly where I was, I have had to negotiate the Nantuxet shoals where the depth varies between eight feet and 15 fathoms. I never want to be in fog alone again. The odds against collision—odd single-handed sailing—all about me were so ridiculously small; navigation becomes alarmingly imprecise; and you dare not sleep, which creates all kinds of dangers of its own.

For 11 of the first 14 days, the wind blew steadily from the south-west—the direction in which I was trying to go. Whenever I could, I took a hitch southwards. Most of the time, I was tracking west or just north of west on port tack. From June 9 to June 14 I was close hauled on port tack for five consecutive days, with the wind generally between force four and six.

My tactics were to keep going as best I could, to hang on to the race, waiting for conditions to change. Here are some of the log readings for the first ten days:

June 7th (Day 3): Have made excellent progress to date. Was among the leaders of my class at

water unit to the instruments. I cut into the box with a knife, and found inside a printed circuit board. I know nothing about electronics, but someone once told me that if you have trouble with printed circuit boards, scratch any corroded metal with a knife, and spray the whole thing with a can of Servisol. I did just that. As the spray from the can hit the circuit board, the log sprang back into life. I don't know what I've done, but it has worked.

June 12 (Day 8): Still on port tack plugging westwards. Will I ever make the Azores? Progress is steady but desperately slow. Days' runs of between 100 and 120 miles—they are just

not enough. Any monohulls on this route will be walking away from me. Major wash and chance-of-choke day. Checked water, which appeared to be lasting well so used half a gallon for an all-over wash.

By now I was approaching the turning point in this race—a storm that tracked across the Atlantic on June 14 and 15. Here I had a stroke of luck that could have won me the race. The storm that sank the *Caribbean* and *Kruger III* and damaged *Pen Dulce's* self-steering so badly that Tabarly turned back for day, that blew out Club Med's sails and that forced both *Third Turtle* and *Friends* (respectively first and fourth in the Jester

Class) to stop for two days almost missed me.

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Two days later, on the morning of June 16, the wind went back to the south-west and

shipped and amount involved, however that may be. The same technique can be employed to cover exchange fluctuations for "forward" importing contracts.

F. G. Hobbs.
E7 Pine Grange, Bath Road,
Bournemouth, Dorset.

Register
From Mr. R. Harris.
Sir, —Councillor Mrs. C. Gillingham (June 30) complains that electors may lose their vote because they have moved between the date on which the Register is compiled and the date on which an election is held under the Register, which may be as much as 16 months later.

I suggest that the only satisfactory solution to this problem is to adopt the American system which requires the elector to register in person. The Register could then be kept open to new applications at all times, except for the two or three weeks before an election, when it would have to be closed to prevent the staff from being overwhelmed by a rush of last minute applications.

Another advantage of this change would be that those who have no knowledge of, or interest in, politics, could avoid the unwelcome attentions of canvassers by the simple expedient of not registering.

Richard Harris.
Flat 8,
119, Haverstock Hill, N.W.3.

Shoes
From Mr. J. Stratford.
Sir—If a large company is unsuccessful in the taxpayer is forced in most cases by the Government to subsidise it. If a large company is successful it would seem from the Economists Advisory Group study of the shoe industry that the taxpayer should pay for the destruction of success.

With only approximately 20 per cent. of the shoe market in this country I fail to see how the British Shoe Corporation can even remotely be accused of exercising monopoly power. The main argument put forward by the British Shoe Corporation is that British shoes have a higher return than others in the industry. But doesn't every

successful company have a higher return than its competitors?

The facts are that British Shoe has one of the most efficient and sophisticated computer systems for distribution of shoes from its central warehouse at Leicester. Regionalisation of the company will break the system leading to a duplication of facilities with resulting inefficiency.

Isn't it time that as a nation we stopped regarding ourselves as a dirty word and recognised that without it we will all be bankrupt?

John E. Stratford.
"Perama",
Fulmer Road,
Gerrards Cross, Bucks.

Commission
From Mr. A. F. Frowell.
Sir—We were very interested to note the letter on commission structures and the decision of the Life Offices Association to postpone the introduction of premium related commission, which appeared in your paper on June 17.

We agree that the proposed changes would lead to unemployment in the life assurance broking industry.

We feel that the LOA fails to realise the need for the people with slender resources to have professional insurance advice. At present, this advice is given by the small broker organisations and it is these organisations who are likely to be forced out of business by the proposed changes.

The LOA says the commission bill is going to be bigger, but this increased commission will not go to the broker who depends on life assurance commission, but to the larger broker to whom the life department is a service department.

We would finally pose the question, how is it that many LOA members are not altering the commission structure for their own representatives, many of whom are employed as direct salesmen, and yet are doing it to their intermediaries?

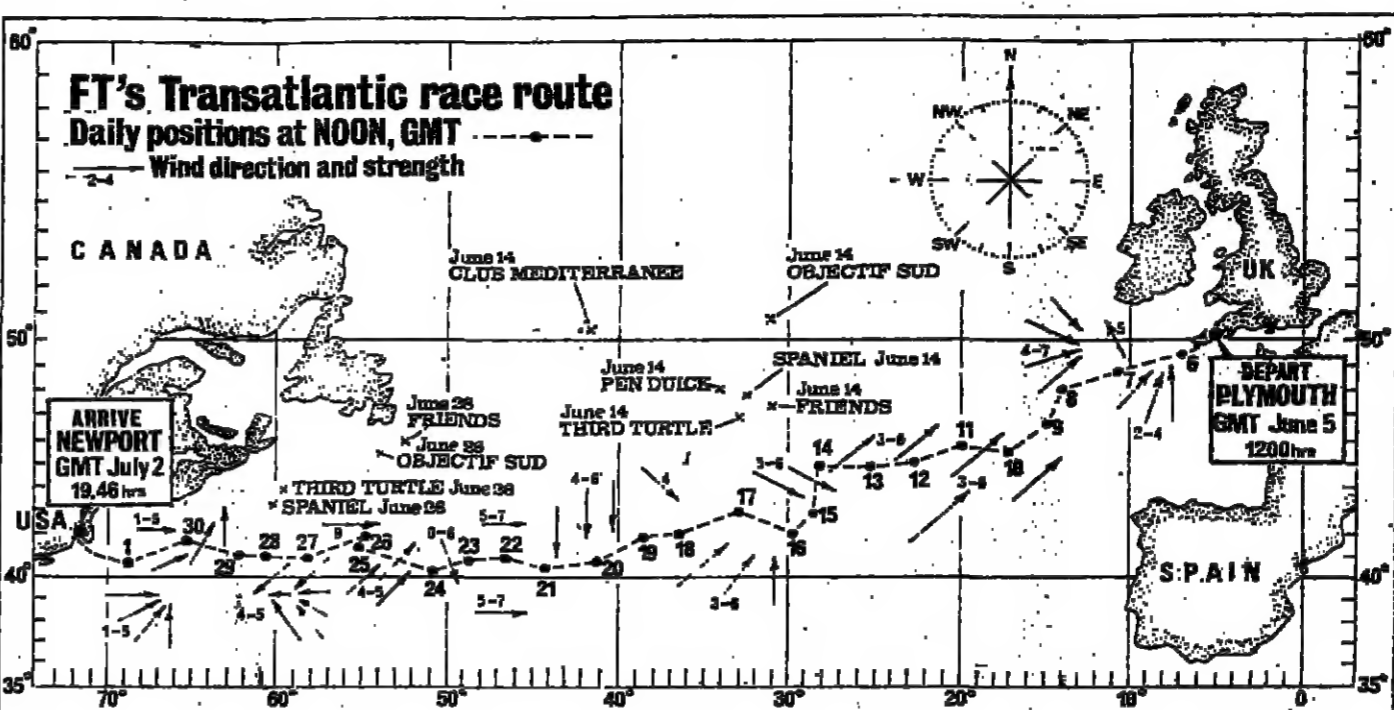
A. H. Frowell.
Lincolnshire Insurance and Mortgage Brokers,
165, High Street, Scunthorpe,
South Humberside.

David Palmer, this paper's news editor, sailed the trimaran FT into third place

of her class in the Plymouth to Newport contest



An exhausted but happy David Palmer on his arrival at Newport.



FT's Transatlantic race route
Daily positions at NOON, GMT
Wind direction and strength

June 14 (Day 4): Very bad day. Wind came in steady force seven (near gale). Brand new Talurit splice on staysail halyard parted. And had to climb mast. Was very frightened and it took nearly two hours to get the halyard back and repair it. At 10 p.m. I run out of energy and have to for two hours. Am still fighting seasickness, but I think I will win on this trip. At midnight, got her going again. But it is three hours before I have everything under control and the boat settles.

June 9 (Day 5): Major disaster. The dog stopped working. No speedometer and no log for the rest of the trip. Five hours later: Log working again. Two hours ago I was in despair. I finally tracked the problem down to a little black box that connects the under-

water unit to the instruments. I cut into the box with a knife, and found inside a printed circuit board. I know nothing about electronics, but someone once told me that if you have trouble with printed circuit boards, scratch any corroded metal with a knife, and spray the whole thing with a can of Servisol. I did just that. As the spray from the can hit the circuit board, the log sprang back into life. I don't know what I've done, but it has worked.

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A. H. Frowell.
Lincolnshire Insurance and Mortgage Brokers,
165, High Street, Scunthorpe,
South Humberside.

Rapid change

For the next week, I made excellent progress. My new "Gulf Stream strategy" seemed to be working. The wind freed me for three days, sun shone a lot of the time, I logged 135 miles on June 17, 155 on June 18, and passed the half-way mark on June 19. I lovingly wrote my half-way dinner down in the log—asparagus tips and mayonnaise poulet chasseur with spinach, mushrooms, and potatoes: a can of Heineken (to reach the port neglected parts other beers...), an orange, and some chocolate.

The third and fourth weeks, however, brought mixed fortunes. They also brought the one serious storm that FT encountered. Here is my log for the four days June 24 to June 27. These four days have everything in them—the total unpredictability of the weather. The way it dictates progress, and the rapid change in mood from exhilaration to deepest gloom and back again.

June 24 (Day 20): 03.30: Wake up to find FT has put herself about and is standing still. Cannot work out why.

08.30: Wind freshening time. Take in jib. Mo in main.

09.45: Woken by win set at 35 knots. Get on jib and reef main further meter is falling rapidly increasing all the time.

11.30: This is too m FT. I take all the sail and lie a-hull.

12.45: Very heavy Wind 45-50 knots (to Seas have been very at past hour. Now they are flattened by the wind, raised centreboard to risk of capsizing.

18.30: The crests of breaking, picking FT throwing her sideways. handle this, but I would so sure if the seas start ing towards her. So much safer when you are than on deck. I menta myself through the dri capsize—just exactly must do and how I ma

14.00: Go to sleep. hours. There is nothing can do but wait and I will be well.

18.30: Wake from sleep to find wind in the east force five. Cannot believe it. Have the box way again in ten minute June 27 (Day 23): 18.3 a day. Since this time we have travelled 200 through the water, 190 chart. Spinnaker has f all day for first (and la on trip. Sun, blue se behind me, spinnaker, drawing, average speed 8. The sort of day that ma forget all the others. I, and myself believing i again.

That all happened from the finish. I was in the storm for 14 ho my main rivals never Michael Birch in Thir was on the other side low, and had the winc him throughout: so id Clare Francis in Rol Golly was less lucky. I the storm that finally b self-steering gear, and out of the race as a competitor.

Now the race is over. prizewinners are in. As there are still some 60 the Atlantic, threadi ways towards Newpor myself, I shall never e race again. It has b of the most rewarding ences of my life to spe

15.00: At last I have one of the two self-steering devices working. To-day has been a fully to Newport. I w write-off so far. There is very have missed it for a

Put her back on course. She starts to do it again. There is an intermittent fault in the electric self-steering. I have a spare. That breaks down too. Wind is dying.

10.00: Wind vane at top of mast is coming to pieces. There is a heavy swell, and the higher I climb the mast, the harder it is to hold on. I have to go up twice before it is repaired. It takes one-and-a-half debilitating hours. 50 feet above the water in an Atlantic swell you are moving through a very large distance.

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The School Council proposal to merge the 16-plus exams has caused great public argument. Michael Dixon discusses the issue.

The new exams: fact and fiction

DAVIS Jr. often himself as a one-eyed vego. He would not offer discrimination on out in Britain, even female to boot. But were also a graduate, eers would be barred, i civil service among

amination gradings of ation system are virtu- ally general discrimi- nance still approved for oosing people for jobs, in the crucial early working life. Partly of this, the gradings steadily a more neces- sary condition to the minority of careers. Even where tively worse paid, these n advantages of power, and so on.

aminations have effects ad the control of the al professions. Yet it professional groups ch had effective power to merge "O" levels. General Certificate of e, the two 16-plus ions which are the e examination com- sidering England and ad spreading its influ- Scotland.

strength the Schools which took the decision s, involves 33 interest- presented by 77 govern- f these, the National Teachers has 17. They ther governors, voted The Confederation dustry had only one tive at the meeting. e of the six who voted

da reason for the over- apportunity given, the apparently majority ong the educational for comprehensive, whose spirit conflicts

with the continuance of two dif- ferent devices for examining pupils at 16-plus. To say that Ordinary levels and CSE are taken, respectively, by the academically bright and the rather-less-bright, would be a reasonable description. But it would be less than precise, not least because many children judged by their teachers to be of boundary-area ability in certain subjects, are entered in both.

Strain

The removal of this added strain from a system of schooling already widely considered to be unduly restricted by examinations would be a definite advantage of substituting the single 16-plus, called the "Certificate of Education: Foundation" (CEF). Though the council has called for the Education Secretary's approval for the change to be made by 1981, however, much detailed work remains to be done on the scheme.

The sharpest description of its present form was uttered at the meeting by Mr. Michael McCrum, the Head Master of Eton. Appealing for the target date to be left open until the practical design had been agreed, he declared: "I don't think Ministers of the Crown should be served up with a dog's breakfast."

Of the main controversial elements, the first is the vexed question of the administration of the single exam. This has the usual human problems of a merger, plus the difficulty of academic status, which the education system seems to look on as a sine qua non, only at the expense of the other. Here, on the one hand, we have the eight Boards which now administer the GCE examinations, which

can claim the academically brighter clientele and generally close association with the university pinnacle of the profession. On the other hand, we have the 14 CSE Boards which are plainly geographical in sway and title, and can boast only that their exams are more versatile. How these two networks can be made to merge, remains an extremely sensitive issue.

Until this first element can be decided, neither can the second—the cost of the change to the taxpayer. The council's present estimate of the start-up cost is somewhat vaguely put at between £210,000 and £35m., but even this is cast iron compared with its ideas on how much the new exams' running cost might add to the present annual expense, said to be roughly £12m. a year.

The third main controversial element is the educational effect of the change. Many people feel that it will be detrimental, and this apparently accounts for the CBI representative's vote against the change. "The CBI has a concern that there may be a discouraging effect on standards—which I think is misplaced," commented Sir Alex Smith, the council's chairman, after the meeting.

On all the available evidence, Sir Alex is right. The fact is that arguments about educational standards are bound to be inconclusive, simply because nobody has defined what they are, let alone procure a general agreement on them.

For example the main influence of the change to GCE 26 years ago has arguably been exerted by the ending of a system under which no certificate was granted unless a candidate passed in a range of subjects, and its replacement by a classical system which certifies a class-



Boys at Eton: into one pot with all the rest?

ed grade even if the candidate has taken only one subject.

The new examination continues this "single subject" convention, which seems to have encouraged a narrowing specialisation in children's studies, at the expense of a broader training based on all of the Three Rs. This specialisation suits the universities, but to judge by the complaints of employers outside the education system, it seems to suit hardly anyone else.

From an industrial viewpoint, therefore, the real damage was done a quarter century ago, and it is hard to see how the change

to the CEF can make any further significant differences. The new grading system is essentially the same as that prevailing in Ordinary levels and CSE combined. This has nothing to do with anything that might properly be understood as "standards" of educational attainment.

The nearest approach to a standard is an assumption that the attainment of children does not alter materially from one year to the next. On this assumption, in the mass-entry subjects which account for the bulk of examinations, the administrators of the GCE and CSE do

—and those of the CEF will—award the important grades by means of a "norm-referenced" device. This uses the scores put on the exam papers by the force of mostly free-lance markers, to draw up a ranking of the examinees in a particular subject. The main grades are then allocated by the drawing of cut-off lines at statistically pre-determined points down the ranking.

The new exam will have seven classified grades, among which there will be two critical points. One will be at the border of grades three and four, and it will correspond with the

old pass/fail line in Ordinary higher grades to children with levels, which has since been a lower level of Intelligence semantically changed to the Quotient. Since the number of border between grades C and D. In each of the mass-entry period, the grade lines would subjects, the different groups almost inevitably decline of administrators of the new exam will draw this "above O-level pass" cut-off at a point five-twelfths down the ranking of examinees.

The other point will coincide with the present boundary between grades four and five of the CSE. In the replacement, this will be the boundary between grades six and seven, and the cut-off line will be drawn across the ranking at a point about five-sixths of the way down. As a result, how many children are classed as above the main grade lines, will be a function of how many enter the exam in the first place.

Some subjects will continue to attract more examinees than others. So accepting the notion—not beyond doubt—that there exists a general or "g" intelligence which is decisive in a child's exam performance, then the greater the number of entrants in a subject, the easier it will be for a child of a given "g" to achieve a given grade. The probability is that in the new exam as in its predecessors, physics and chemistry will be a lot harder to "pass" than are English language and art.

Like its predecessors, the CEF will be liable to have the meaning of its grading further confused by changes in the number of entrants in any or all of the subjects, under any or all of the administrative bodies, from one year to another. It is this factor which probably explains the recently reported research finding that, by comparison with 1968, the Ordinary-level examiners in 1973 were awarding

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To be fair to the school-exam Boards, they do check their basic assumption that educational attainment is constant. A number of the various border-line papers are compared each year with those of the last. The statistical rules, however, remain the overwhelmingly powerful influence on the grading, and this check would not detect a slow drift in attainment in one direction or another over a period of several years.

University

If attainment rose or fell over a period, we could not know it conclusively from the 16-plus exams—to which, of course, the norm-referenced GCE Advanced levels and university intakes in various subjects are related.

The differences between the present and future exams are therefore far less significant than their similarities. In particular, the mere number of "passes" and classifications higher up on the academic ladder accumulated by any one candidate will have no greater validity as a device for discriminating between people for more or less responsible positions in the general field of work. But they will no doubt continue to be used as such, just as breeding, wealth, creed and sex were used before them.

ABOUT NEWS

LC may cut pay firemen in row

HARGREAVES, LABOUR STAFF

ATER London Council cutting the pay of involved in a three-week e because, it says, the ion has now resulted plete standstill at a stations.

he GLC fire brigade meets on Monday i discuss a call for Army n dealing with out- bush and heath fires. h this move is not- stated to the firemen's action, it is evidence ure under which the rigade is now working- enday the brigade re- record 1,564 calls—five usual number.

ent of the industrial- less from shift to shift, day evening 25 of the 115 stations were re- answer calls.

rigade spokesman said s no danger. Area- red. He dismissed a- on a claim by the Association of Fire

Premier tries to reassure with Wales miners

USTIAN TYLER, LABOUR STAFF

ME MINISTER was in 7 mood when he met the militant South- ners yesterday in the e National Union of s' conference decision or early retirement in e pay policy.

laghan discussed the sion to hold a ballot- rial action over the a he visited Cynheidre ear Llanelli.

nothing with Mr. Emyln and Mr. George Rec- and secretary of the ales miners, he said a good future for the stry. Miners' leaders ontinual reassurance future, he added.

laghan told the House ns on Thursday-day and would keep pressing the M conference decision

Training plans out soon

AN PIKE, LABOUR STAFF

IENT PROPOSALS to conference in Nottingham yester- help for young people day.

He said the association had been invited to meet Mr. Frederick Mulley, the Education Secretary, in the autumn to discuss unemployment and training in the 16-19 age group.

Bakerymen go back to work

MORE THAN 300 employees at Sharrocks bakery, Manchester, a rapid expansion in yesterday voted unanimously to nt-sponsored training and a fortnight-long strike which to help overcome the had threatened to spread waste of potential" throughout the Allied Bakeries from unemployment group.

ing people was made in Cumbria. Scotland, y Heppel, president, at dustmen called off an eight- onal Association of week long stoppage and will nd Guidance Teacher's return to work to-day.

Lonrho to pay £9.8m. for Brentford Nylons

BY TERRY WILKINSON

LONRHO has agreed to buy Brentford Nylons for £9.8m. and has been granted a 13-month option on Brentford Towers Building, West London, for £450m.

The purchase price is being met equally by Lonrho and the Department of Industry which has advanced a loan of £4.9m. free of interest until December 31, 1977, but thereafter costing 10 per cent a year until December 31, 1980, and 12 per cent for the remaining period of the loan.

This offer is well below the £11m. purchase offer made by the "workers' co-operative at Crumlington but the £5m. which the workers hoped to secure from the Department of Industry has never been assured.

In the statement issued yesterday Lonrho said it was firmly of the view that Brentford was recovery prospect and anticipated pre-tax profits of £2m. after the first year of operation.

Our Newcastle correspondent writes: Lonrho directors visited the Crumlington factory of Brentford Nylons yesterday to meet union officials and shop stewards after the take-over of the company from the Receiver on Thursday.

The party, which included Mr. Edward du Cann and Dr. Khalil Osman Mahmoud, who represents the substantial Kuwaiti interest in Lonrho, gave assurances that Lonrho plans to expand rather than contract Brentford Nylons.

Mr. du Cann Conservative MP for Taunton, said it was impossible to give guarantees at this stage but there would be no redundancies among the 2,000 workers but they were confident that Lonrho would be able to provide job security.

"This business is bankrupt and on its knees and we are taking on substantial obligations," he added. "But the factories have substantial potential and we aim to make them a success. We plan

to turn this firm into the leading company in its field in the U.K." Mr. du Cann said: "We have a perfect right to use the facilities of the Industry Act and the Government is ready to trust us. We did not go to the Govern- ment, they came to us, through the Receiver. He made it clear that the money was there to a potential buyer, whoever it was."

Margaret Reid writes: The board of the Midland Bank yesterday expressed respect for the motives of Mr. Angus Ogilvy in resigning as a director. Mr. Ogilvy resigned after he had been severely criticised in the report of the Department of Trade Inspectors on Lonrho, of which he was a director until 1973.

Mr. Ogilvy said on Tuesday that he considered the inspectors' criticisms unfair and their conclusions unjust but that he was resigning all his directorships as the only honourable thing to do.

The Midland, at its board meeting under its chairman, Lord Armstrong, a former head of the Home Civil Service, also considered the resignation of Mr. Ogilvy's services to the bank and regret at losing him as a colleague.

Lonrho issued a further lengthy document yesterday replying to a range of points made by the inspectors. This states among other things: "The inspectors have endorsed opinions previously given by Peat Marwick Mitchell in 1972 and by shareholders in 1973 that Mr. Rowland should remain as sole chief executive and in no way [suggest] that any of the directors or executives are unfit for their offices."

It also contains a detailed defence of Mr. Rowland's £307,000 expenses claim, which the inspectors criticised.

Members of the Lonrho Board are considering whether to take legal action against the inspectors who criticised them.

Energy chief talks of 'nuclear terrorism'

BY DAVID FISHLOCK, SCIENCE EDITOR

AT SOME time there would be establishments. Selection of staff, design of fences and the vaults but it would fail, Sir John Hill, chairman of the U.K. Atomic Energy Authority and the armed guards were all carried out to the Government's top adviser on nuclear energy, told a Financial Times conference in London yesterday.

He was confident that it would fail because achieving the terrorists' objectives would be "much more difficult than anticipated."

Sir John was replying to assertions by Sir Brian Flowers, chairman of the Royal Commission on Environmental Pollution, that the Government was paying too little attention to the security problems with plutonium. Speaking on the Abuse of Nuclear Energy, at a conference on "Nuclear Power and the Public Interest," Sir John said the world had less to fear from nuclear terrorists than from nuclear proliferation—"in my view the most worrying aspect of nuclear power."

The more sensitive nuclear plants—such as the Windscale 1980 and fall thereafter to a few tonnes as fast reactors come into as though they were defence service.

Economic Diary

TWO-DAY summit meeting of ESC Heads of Government opens in Brussels on Monday.

Other events and statistics next week include:

MONDAY—Mr. Denis Healey, Chancellor of the Exchequer, meets Tribune Group to discuss possible cuts in public spending. National Union of Railwaymen conference opens in Paignton. Index of industrial production (May). Wholesale price index (June). Turnover of catering trades (May).

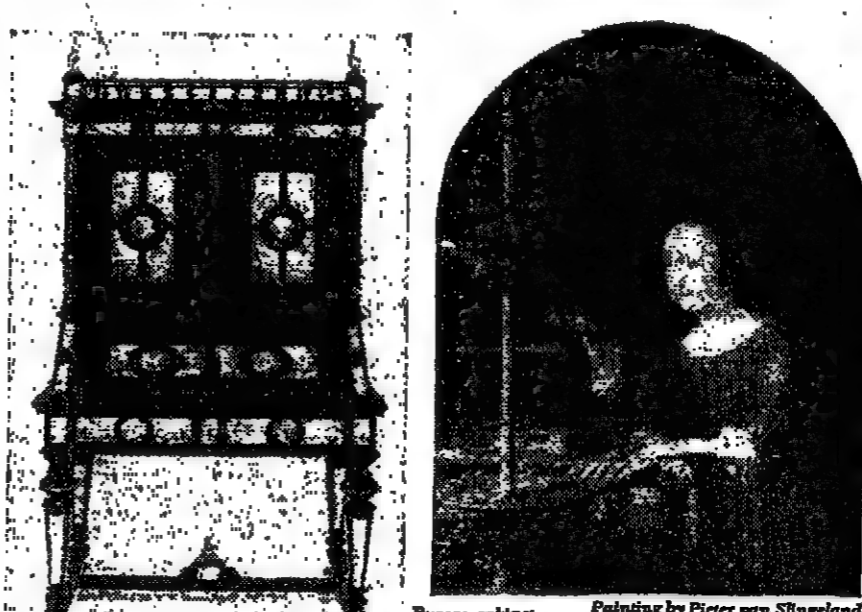
TUESDAY—Mrs. Shirley Williams, Prices Secretary, talks with retailers on proposed revision of Price Code. Financial Times three-day conference on Finance and Scotland opens in Aberdeen.

WEDNESDAY—CBI meets Mrs. Shirley Williams on Price Code. ESC/ACP two-day council meeting opens in Brussels. Representatives from Gilbert Islands arrive in the U.K. to discuss

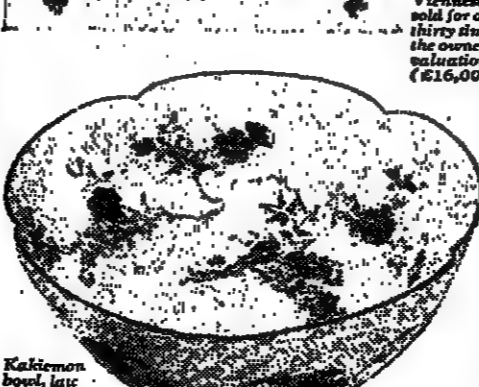
internal self-government. Iron and Steel Trades Confederation conference, Congress House. Balance of payments current account and overseas trade figures (June). Building Societies receipts and loans (June). Location of Offices Bureau annual report.

THURSDAY—Thurrock by-election. Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, is the

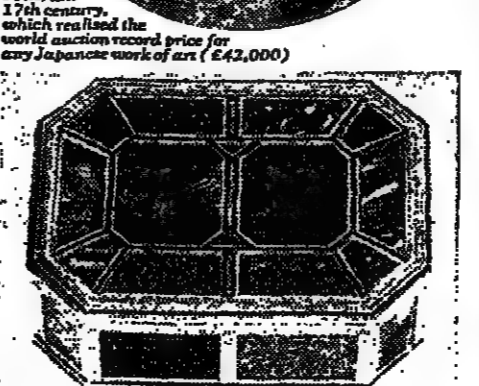
principal guest at American Chamber of Commerce lunch, Savoy Hotel, London. Mr. Michael Heseltine, Opposition Spokesman for Industry, at British Soviet Chamber of Commerce lunch, Connaught Rooms, London. FRIDAY—Retail prices index (June). Usable steel production (June). First quarter figures—appropriation account of companies; new acquisition of financial assets, analysis by sector; financial accounts of industrial companies and commercial company and personal sectors.



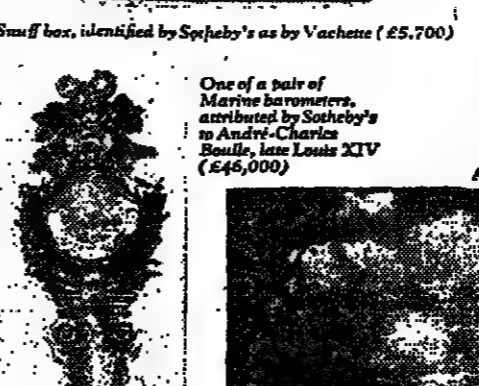
Bureau cabinet, Vienna, sold for over three times the owner's valuation (£215,000)



Silver snuff box, identified by Sotheby's as made by H. A. Reimers, c. 1715 (£950)



Snuff box, identified by Sotheby's as by Vachette (£5,700)



One of a pair of Marine barometers, attributed by Sotheby's to André-Charles Bessin, late Louis XIV (£46,000)



Henry Moore: an early work which the artist had forgotten (£6,200)



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The snuff box illustrated was thought by its owner to be worth very little. We identified it as a rare gold mounted glass snuff box by A-J-M Vachette, one of the most important goldsmiths of the Napoleonic era, and it was sold for £5,700. Four gouaches of sporting birds, auctioned elsewhere in London for £600, were immediately brought to Sotheby's, recognised as works by George Edward Lodge, and sold for £2,900. It is not difficult to see why Sotheby's are asked to sell more works of art than any other auction house—and why we hold more world auction records, from Picassos to pewter.

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COMPANY NEWS + COMMENT

Continuing progress seen by James Scott

EXCLUDING The Israeli subsidiary, Asher Feuchtwanger, which was sold last year, pre-tax profit of James Scott Engineering increased by \$22,806 to \$243,855 in the year to January 31, 1977, from \$221,049 in 1976. The Israeli figures were \$291,015 and \$32m, respectively.

A major transmission contract in Iran has had a negative cash flow for some time. Agreement in principle has now been reached with the client for the release of money against substantial escalation claims and it is hoped that payments will commence at an early date.

According to the chairman, Mr. R. F. Lockhead, the company entered 1977 with a reasonably good work load which was not evenly distributed over the operating units. Certain shortfalls have since been made up and the overall work load at present is, in financial terms, in excess of that at the same time last year which, with continued vigilance by management, "should enable the group to continue its progress."

Stated earnings per 25p share for the year are down from 5.9p to 5.5p—dividends to first class Preference holders are being paid to July 31, 1977 which will enable payments to be started on second class preference shares after that date.

A substantial transfer to deferred tax in respect of stock appreciation rights, together with other adjustments, has increased the amount set aside for deferred tax in the balance sheet to \$337,820—settlement of this liability should not be required for some considerable time, states Mr. Lockhead.

The disposal of the Israeli subsidiary is now complete and a net surplus of £1,508 is included in extraordinary items.

After providing for arrears of dividends on the first class of preference shares, the parent company's profit for 1976 was \$296,330 at January 31, 1977, compared with a negative balance of \$4,627 a year earlier.

	1976	1977
Turnover	3,370	3,770
Depreciation	38,150	38,150
Finance charges	45,350	34,350
Profit before tax	45,350	34,350
Taxation	12,500	14,213
Deferred tax	12,500	8,793
Profit after tax	32,850	20,137
Extraordinary items	—	17,273
Profit after tax	32,850	37,410
From capital reserves	2,700	2,700
Forward	364,147	75,334
Excludes Israeli subsidiary, 1976	—	—
125,000 shares for U.K. securities	—	—

comment

The 18 per cent profit advance of James Scott Engineering was due to a combination of loss elimination plus growth in the electrical contracting and transmission sides. The loss elimination came mainly in the heating and ventilation side. Overall, the group is now operating at a marginally better volume rate than last year, but its real struggle will be to improve profitability—margin was only 2.2 per cent last year. The hope here is based mainly on growing work overseas and involvement in North Sea oil building contracts. If the U.K. industrial investment cycle picks up, there could be some compensation for the more profitable business, sold last year for around \$500,000—a sum that has helped to reduce borrowing and ease shareholders, though, there might still be some wait for ordinary dividends and, in the meantime, the shares languish on a p/e of 3.2 at 19p.

LASMO & SCOT finance

The chairman of LASMO and SCOT, Mr. G. F. Grant, told shareholders at the annual meeting yesterday that the company of the recent oil finds in Block 23/27, in which SCOT has a 48 per cent interest will require certain delineation drilling to establish the extent of the discovery, and preliminary work is currently in hand. Additional

Results due next week

Next week's company reports are dominated by preliminary results from two major groups, with new chairman taking over shortly. The Distillers Company and Thorne Electrical Industries. General Holdings is due to announce interim results while full year figures are also expected from Wilkinson Match and International Timber Corporation.

Forecasters at the second, and \$24m, for Distillers 1976-77 pre-tax profits are being made from the results due next Thursday with the improvement over the previous year of £71m due to increased margins more than to higher volume sales. The group benefited from four price increases last year which should have gone some way towards compensating for the weakness of U.K. demand in the very poor run-up to Christmas and in the slack conditions that followed. However, with 85 per cent of profits coming from exports, the end to whisky destocking in the U.S. in the second half is significant. Extra fillips could also be expected from exchange gains and lower interest charges.

Although market trends for Thorne Electrical's products in the U.K. suggest a pre-tax profit for 1976 of around £24m, a certain school of thought in the market suspects Sir Jules Thorne is unlikely to leave the group without a fairly large sum. Some normally cautious analysis are going out on a limb for £74m to £75m. The more cautious figure is still a ten up on the previous year's £65m. The group is forming rather less well than the first which benefited from strong demand for domestic appliances. However, the domestic side was less depressed in the last six months than was anticipated earlier while TV rental revenue is believed to have risen some 10 per cent. Meanwhile, the figures for the preliminaries are due on Wednesday.

The improvement seen in the second half of 1974-75 at Getestier is expected to continue at an accelerated pace in 1976 current year. First-half pre-tax profits, due on Thursday, are expected to rise from £8.4m to £11m, and a full year figure of

no reason for being less confident than last year.

He announces that he will resign and Mr. David C. Greig, has accepted the invitation of the board to become non-executive chairman.

First half lift for Websters

TAXABLE profit of Websters Publications improved from £160,000 to £242,000 in the six months to March 31, 1977, and chairman Mr. Peter Lane remains optimistic that the forecast increase for the year will be achieved.

The interim dividend is held at 0.26875p net—last year's total was 0.26875p net from profits of £242,000.

The half-year results include Matthews Drew and Shelbourne from January 1 but the figures are not material. Under the terms of the 1969 option agreement the acquisition of the 25 per cent minority interest in the book distribution division has been completed.

	Six months	Year
1975-76	1976-77	1976-77
Profit before tax	160,000	242,000
Taxation	118	85
Net profit	159,882	241,915
Minority interest	—	—
Attributable	159,882	241,915

The chairman, Mr. Robin Rigby, says that new group operating figures for the six months to March 31 will be some £200,000. "The immediate prospects remain good and the tax charge during the current year should be light," he tells members.

At December 31, 1976, the financial position showed net tangible assets of £1,391,000 compared with £1,478,000 at the end of 1975. Net current assets were £406,000 (£1,441,000 deficiency), bank overdraft less cash balance had been reduced to £262,000 (£2,321,000 and long-term liabilities to £238,000 (£1,023,000).

Mr. A. F. Bartlett, chairman of Newman, told yesterday's A.G.M. that there were definite signs of a recovery in demand, and as a result U.K. order levels were now moving encouraging. "Indeed it may well be that in a few months' time the problem may be one of capacity."

The company was progressing as rapidly as possible in the acquisition of associate Agar Cross, said the chairman.

Increase at Anglo-Indonesian

Profits of Anglo-Indonesian Plantations increased from £233,534 to £337,440 in 1976 before higher tax of £88,000 against £38,885. Earnings are shown at 7.4p per 25p share compared with 7.1p.

An interim dividend of 1.25p net is declared for the year. The 2.5p total paid for 1976 reflected the absence of dividends in the preceding 12 years and the current distribution will be the first payable without an unrelieved ACT liability, members are told.

The profit before tax is £337,440 (£233,534) and the share of profit of £1.25p (£0.74p) for the period from date of acquisition in 1975 to December 31, 1976. It also includes foreign exchange profits of £124,523.

As from January 1, 1977, the

around £23m. (£19.8m) looks a strong probability. Several factors account for this forecast, a substantial contribution will come from foreign exchange gains on the back of the depreciated pound (100 per cent). Geestier's sales originate overseas. Demand in the U.S. is becoming more buoyant while the closure of the loss-making calculator division will allow a substantial turnaround at Rex Rotary. Meanwhile, the new table top set machine is being marketed throughout the world. The worthwhile contribution should be forthcoming here.

The logic of the merger which created Wilkinson Match in 1973 has yet to bring the figures growth needed to improve the share rating. The preliminary figures, to be announced on Tuesday, are expected to show pre-tax profits of about £3.5m, compared to £1.8m last time and £1.1m in 1974. Ironically, this partial recovery is mostly due to the unglamorous matches side of the business. Nonetheless, first signs of real growth are coming from the small safety and protection

company became liable for Corporation Tax on all trading profits as previous tax losses in the U.K. had been exhausted. The tax holiday granted to the company's principal subsidiary renders it exempt from tax in Indonesia until April 1978.

Mr. Christopher Pridoux has been appointed to the Board in place of Mr. Dennis Freidjohn.

The Commonwealth Development Corporation has expressed a wish to work in partnership with the company in some of its agricultural operations in Indonesia. Immediately it is intended to increase the capital of the subsidiary, P. T. Tatar Anjar Indonesia, and subject to British and Indonesian government approval, CDC has agreed to subscribe approximately £110,000 which would give it 14.3 per cent of the increased capital.

Caution at Harris Lebus

PROFITS of furniture makers, Harris Lebus improved from £105,000 to £135,000 in the 26 weeks ended April 30, 1976, but the directors say that unless there is an upturn in the furniture market during the summer, they do not see the current year's profit reaching the £208,000 of 1974-75.

Stated earnings per 25p share for the first half were up from 4.71p to 5.19p.

Turnover rose from £23.9m to £4.83m. The profit is struck after interest of £16,000 (£11,000) but this time there is no tax charge against £8,000 previously.

The current year started satisfactorily but there was a significant downturn in the market in the last three months, the directors say. While production continued at a high level, margins remain under pressure.

comment

First-half profits were up 18 per cent on last year's. In a chairman's report of a significant downturn in the furniture market left the shares 10p lower at 36p and the effects were felt in other parts of the group. Department of industry figures confirm that orders fell after the January sales and have continued to fall since then. "Explanations are being sought but the demand in 1975 was sustained by higher inflationary expectations; recovery cannot be expected until real, disposable income is not expected to happen while pay restraint continues. Exports, the saviour of many companies in other industries, are minor part of this company's turnover. The shares now yield 12.1 per cent after the fall (covered 4.5 times) by historic earnings, but may not be cheap even at this level."

Goldberg & Sons to improve

Shareholders of Goldberg and Sons, the Scottish shoe group, were told yesterday by chairman Mr. Mark Goldberg at the annual meeting that there had been encouraging improvement in the retail trade following the sluggish conditions in the first quarter.

There might be a seasonal element in this upturn which was announced on Wednesday. The problems which had caused the decline in profitability were now behind them and their efforts at consolidation were still not complete.

Until that happened the Board would do everything to maintain the improved trade position and share advantage of more favourable economic conditions.

division, which could produce a 50 per cent profit improvement and a further scope for exports sales.

The recovery in the building industry is not expected to show in the preliminary figures of International Timber, to be announced on Wednesday. The doors and other wooden parts it produces are among the last items to be fitted to a new house. The company did not expect profits to reach even last year's dismal level (£1.6m, pre-tax) but they should go very close. The coming year should, last, bring strong recovery. Timber prices have already risen by a half and T.T. had stocks of £33m, in the last balance sheet.

Next week's company news list also includes preliminaries from Gilbey's, the food and drink group, and Interim from Interinvest Group on Tuesday, and preliminaries from H. P. Bulmer on Thursday. Podem and R.R.P. Holdings are reporting preliminary figures on Wednesday and Thursday respectively.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. of spending	Total last year	Total this year
Ceylon Indian Plantations	Nil	—	5	Nil	5.1
J. Dykes	2.55	Aug. 20	2.55	3.1	3.1
Jackson and Steeple	1.08	Aug. 23	2.15	2.15	2.15
Trafalgar Carpets	0.81	Oct. 2	1.63	1.63	1.63
Websters	0.27	Sept. 30	0.27	0.66	0.66
White Child Beney	1.2	Sept. 24	1.09	—	2.57

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issues. † On capital increased by rights and/or acquisition issues.

WCB sees at least £0.63m

IN LINE with the forecast at the annual meeting, pre-tax profit of White Child and Beney was £226,000 for the half year to March 28, 1976, compared with £210,000 in the previous comparable period.

And Mr. R. W. Beney, chairman, confirms that at least £400,000 should be earned in the second half. He is optimistic about immediate trading prospects and confident of longer term growth and expansion.

The interim dividend is 1.5p net compared with an equivalent 1.09p—last year's total was equal to 2.67p from profits of £235,000.

Since March there has been a considerable recovery in super-market equipment and plastics raw material businesses, while the rest of the group continues to trade satisfactorily. The order book level at containers has risen by 25 per cent since the start of the year, with a satisfactory spread. Plastics had a record half-year, with an increase of 25 per cent, and a profit increase approaching 50 per cent over what were previous record results.

The purchase of Sageway has been completed on favourable terms and since March the operation, which is in South Wales, has been streamlined and the marketing and sales integrated with WCB-Clare.

Although the opening of new supermarkets has greatly slowed down during the past year there are now signs of a considerable pick-up which should be helped by the latest revision of the Code. "We are now confident that this continues to be an important growth area in which WCB now occupies a commanding position," says the chairman.

Benguela rail traffic may resume shortly

By Kenneth Marston, Mining Editor

The Benguela Railway in Angola, which was a vital transport link with the Atlantic coast, is to be reopened by the end of the year, according to Mr. A. J. Hood, chairman of the railway. The railway, which carries 90 per cent of Benguela's exports, has been closed since 1974.

He adds that the railway has received substantial loans from the Bank of Angola under instructions from the country's Government but its financial resources outside Angola are exhausted. It is unable to meet all of its current obligations. No distributions are likely to be received by "Banks" from Benguela in respect of 1976 and 1977 but, "Banks" for 1977 could be somewhat brighter.

Meanwhile, "Banks" is building up a North American investment portfolio and also has a direct interest of 6.7 per cent in Zambia's Tlozi copper mine. The company's major investment remains its stake of 10 per cent in Union Minière. "Banks" were 16pp yesterday.

Simonside Investment

First quarter income (to June 30, 1976) of Simonside Investment Co. Ltd. has been reported by the director believe that the company is not likely to have the same low level of investment income in the current year. The previous 15 months' £24,566.

Interest and expenses during the three months amounted to £41,020 (£22,287 for the 15 months), leaving a revenue profit of £23,546, compared with a deficit of £24,177 in the previous 15 months. The directors believe that the revenue position is not typical of the likely result for the year.

RESULTS AND ACCOUNTS IN BRIEF

ATKINS BROTHERS—Meeting Monday July 11 at 10.30.	JACKSON AND STEELE (00
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COMPANY NEWS SUMMARY

Take-over bids and mergers

Life succeeded in its battle for control of Artagen on Monday, just four days before its 90p cash bid was to expire. The offer was declared unconditional and indefinitely following the purchase of a further 1m shares in the stock market and the receipt of new shares in respect of 1.5m shares, giving Sun Life control of 52 per cent.

Intersupply International, of the U.S., has decided to renew for AD International, the U.K. dental supplies concern, same terms which were withdrawn last January due to ties that arose at the time over financing arrangements. These problems have now been overcome. The change of 70p cash plus 45p of 9 per cent. Sterling/Dollar convertible Loan stock for each ADI share capitalises ADI.

Transport Development is making an agreed 30p cash offer for the equity not already owned in H. Cox (Hire). With the inclusion of recent market purchases, its associates now control over 34 per cent. of the Cox. However, a counter-bid could come from Richards and Wigton, which already held 21 per cent. stake in Cox as, since the TD bid move, bought further Cox shares.

he Saudi Arabian National Chemical Industries has to go ahead with a 25p cash offer for each of the 15 shares not already owned in Beyer Passco, the light tery concern. The bid price is equal to that paid by the previous week for a 27 per cent. stake in Beyer, but the Board has rejected the offer as inadequate.

recent speculative rise in the shares of R. and G. Cuthbert and the Board announced on Tuesday that discussions sing held which could lead to an offer. This brought an improvement in Cuthbert shares, which closed the week p. valuing the whole equity at £2.1m. Low and Bonar initiated talks with Blyth and Baron, the packaging com- with a view to possibly making an offer for the latter. B shares responded with an advance to 49p, capitalising quity at £2m.

m. Reed is making a share-exchange offer carrying a alternative for cloth manufacturers, Wm. Utley, while (1975), a company owned by the Government of Trinidad ogo, is offering 12p cash per share for sugar manufac- Caron. Subject to Bank of England approval, Douglas s intends to bid 62.5p per share for the outstanding equity e of Man Associated Investment.

talks that might have led to an offer for Dufay Electronic been terminated. The Board also gave a warning that all profits are expected to show a material reduction.

Company	Value of bid per share	Market price	Price of bid	Value of bid before bid	Final Acct'ce date
International	118	110g	97	18.0	Dentistry Int'l.
my	79	332	332	0.8	York Traders
en Props.	90	88	88	1.8	Incubator
ne Lays	21	412	412	1.8	Investments
n Com.	20	182	182	0.8	Hampton Int.
(High)	40d	39	39	1.2d	Manning & Gryn.
Peacock	25	34	34	2.0	Nail Chemical Industries
ids	40b	46	20	3.5b	Barrow Milling
lan & Hove	56b	50	52	0.5b	J. Coral
sh-American	370	370	370	1.05b	Agreed merger
co (Sec. Tel.)	212	212	212	3.9d	Burton Group
co (N.I.) Prop.	73d	74	40	2.3	Caron (1975)
o & Yenn	12	12	58	4.1b	Trafalgar Hse.
(R.)	75b	74	58	1.4	Transport Dvpt.
ant (Hire)	30	35g	33	1.2	Private Constn.
Estates	2d	8	12	1.9d	Arbutnot
West	55d	32	55	0.4d	Messrs. Clarke & Co.
Trust	30d	30	22	1.9d	Aurora Hedges
Issex Engrs.	36d	370	300	0.4d	Messrs. Clarke & Co.
Assoc. of	36d	370	300	0.4d	Messrs. Clarke & Co.
er Bond & arbrothers	36d	370	300	0.4d	Messrs. Clarke & Co.
Finbury Tel.	33d	33	19	0.8d	J. D. Hutchison
um Props.	47	45	26	2.8	Woodhouse, Drake & Carey
ation & Uwhat.	28	28	20	1.2	Dent Fowles
(W.W.)	33	33	17	0.3d	Wesley
o (Phos.)	120d	115	65	0.3d	Rank Org.
a Cinemas	82d	80	80	0.8d	Donner Est.
v. Lav.	80d	84	78	3.8d	Welfare Insur.
h & Hendron	37	33	33	0.3	Ferguson Ind.
redy (Allian)	197d	175	137	34.2d	Penns Secs.
don Tin	81	81	78	1.2	Stewart (S. and W.)
tin (Tom)	47	47	32	1.9	Cronace
brook Props.	50	49	32	0.4	Int. Constn.
ropole Inds.	12	15	35	0.3	Harcourt Irish
Bridge Bldg.	55d	53	47	0.8d	Harren Platin.
ock Sazim	174	188	188	0.7d	Union Platin.

DS AND DEALS—(Cont'd.)

CH offer

or Thermal

apses

SHAKE STAKES

MU WINE

WARDLE

SSOCIATE DEALS

BIR-SW

THIRD-MILE

RECENT ISSUES

EQUITIES

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Directors Sir H. H. Trevor Dawson, Bt. (Chairman), A. F. C. Arbutnot, M. G. Barren, C. D. Lawson, F. C. A., M. P. Newton, J. Roy, A.C.C.A., Professor Roland Smith, B.A., M.Sc., Ph.D. (Hon.)

Share exchange scheme tick box for details

Monthly savings scheme tick box for details

ARBUTHNOT for investment

Redland Construction materials and services in 23 countries

PRELIMINARY RESULTS

Year to March 1976

TOTAL GROUP SALES

Group Profits before tax

United Kingdom

Overseas Subsidiaries

Overseas Associates

TOTAL GROUP PROFITS BEFORE TAX

Earnings per share

Dividend per share—gross

1975/76 £ m	1974/75 £ m	INCREASE %
185.12	154.37	+19.9%
11.65	5.00	
9.97	10.79	
5.20	3.27	

26.82

19.06

+40.7%

12.18p

8.57p

+42.1%

5.2450p

4.3706p

+20.0%

The Annual General Meeting will be held on 16th September 1976 in the Plaisterer's Hall, No. 1 London Wall, E.C.2, at 12.15 p.m.

The 1976 Annual Report will be published in the fourth week of August, after which copies can be obtained from the Secretary, Redland Limited, Reigate, Surrey.

Invest for capital growth and a high yield

8.5% Estimated current gross yield

WITH THE JASCOT COMPOUND FUND

The aim of the Trust

The aim of the Jascot Compound Fund is to provide investors with capital growth by investing in higher than average yielding ordinary shares.

How we do it

The Fund aims to achieve its objective of long term growth and an immediate high yield by adhering to a time proven investment formula. The formula is constructed to isolate those shares in the market, whose price does not reflect their true worth. In other words, it is designed to pick out stocks where the price is below the level it should be. The Fund then stands to benefit not only from the increase in trading prospects of companies in the fund but also from what professional investors call a "re-rating"—a truer reflection of the fundamental worth of a share.

Performance with income

The investment policy is based on the Investors Chronicle High Yield System—a time proven formula which has been in use since 1939. The managers believe that results speak for themselves.

Defensive Qualities

Since Jascot Compound Fund was launched 4 years ago, the Stock Market has been through a difficult period and has, in fact, fallen by 14%, as measured by the Financial

Times All Share Index. The offer price of income units has, in contrast, risen by 8% from 25p to 27p and has comfortably beaten the Unitholder Index, which measures the average performance of all unit trusts.

Bear in mind also that unitholders in the fund have received an income well above average.

This demonstrates the defensive qualities of the fund and leads the managers to look to the future with confidence.

The Future

More than ever it makes sense to attempt to protect capital whilst maintaining an above average income. The increasing volatility of the stock market presents excellent investment opportunities. The managers are confident that Jascot Compound Fund is well placed to seek these out and achieve its stated objectives—growth with a high yield. Share prices can go down as well as up. It is, of course, when they go down that the fund has an opportunity to buy shares more cheaply. So you should look upon your purchase of Jascot Compound Units as a long term one.

Remember the price of units, and the income from them, may go down as well as up.

How to invest

Simply complete the application form and post it to the address shown, together with a cheque for the amount you wish to invest (min. £300). Your cheque should be made payable to Arbutnot Securities Limited.

Fixed price offer until 5 pm July 16, 1976 at 27p per income unit (and 34.2p per accumulation unit) or the daily prices if lower.

The managers reserve the right to close this offer should the value of units rise by more than 21%.

Estimated current gross yield of 8.5% is based on the offer price of the income units.

GENERAL INFORMATION

Applications will be acknowledged

After the close of this offer, units may be purchased each Monday, when units can also be sold back. You will receive their cash value within a few days of our receipt of your transmission certificate. The weekly price and yield appears in most leading newspapers. A commission of 1% will be paid to recognised agents. This offer is not open to residents of the Republic of Ireland.

Trustees

The Royal Bank of Scotland Limited

Managers

Arbutnot Securities Limited

(Registered in Edinburgh 40664)

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To: Arbutnot Securities Ltd., 21 Leven Street, Edinburgh. (Registered Office)

EHS 814, or phone: 031-229 1421 and ask for dealers.

If you wish to invest the sum of £300 (min. £300) in Jascot Compound

Fund income units and enclose a cheque payable to Arbutnot Securities Ltd.

If you declare that 1 unit are over 18 and not resident outside the scheduled territories

we will send you the above mentioned securities as the nominee(s) of any

person(s) resident outside these territories. (If you are unable to make this declaration, it

should be deleted and the form lodged through your Bank, Stockbroker, or Solicitor in

the United Kingdom.)

If you wish to reinvest the income please tick this box for Accumulation Units

Signature(s)

Joint applicants, all must sign. State Mr/Ms/Miss or Titles and Forenames.

Full Name(s)

Address(es)

Share exchange scheme tick box for details

Monthly savings scheme tick box for details

JK21 FT

FT Conference

AR PROLIFERATION brings the topic of nuclear energy rapidly becoming a "hot" political issue in the U.S. As a result, it was a "considerable" it could well become an election issue "before the year is over."

In Mr. Jimmy Carter—who in rating a memorandum on the subject of nuclear exports, an American "careful" to stay on "Nuclear Power" in Public Interest in Americans had the prospect of electing the first U.S. president not wholeheartedly in support of nuclear energy.

In Mr. King's opinion, the nuclear proliferation problem was not going to disappear. Nor could a nation vote its way out of the problem. It could only take "such precautions as we can, and learn to live with it."

Sir John Hill, chairman of the greatly expanded export U.K. Atomic Energy Authority, is an alternative to nuclear industry down to uncensored levels of activity. The hearing last month the maximum degree of acceptance of nuclear power, the most services for the Indian political objective in station at Tarapur might nuclear power.



Sir John Hill: "The worrying aspect of nuclear power."

"Governments, responsible or irresponsible, have the possibility of obtaining weapons of devastating power." But the problems would not go away by banning the construction of nuclear stations.

Great progress, said Sir John, had been made through the U.K. International Atomic Energy Agency and the Non-Proliferation Treaty (NPT) had been signed and ratified "by an encouraging number of countries."

The U.K. Government had done everything it could to stop the proliferation of nuclear weapons. The NPT may not be perfect but was a major step in the right direction.

Turning to the precautions being taken to prevent fissile materials finding their way into the hands of terrorists, Sir John said that he was satisfied with the precautions the U.K. nuclear industry was taking. But he believed that more important was the Government's Security Service satisfaction with precautions.

He would not claim that the plants to-day would be satisfactory for the security requirements of 25 years hence, when quantities would be so much greater, but he said that the industry had 25 years to bring security up to the levels that would then be required. By then the security would not be worse.

but if anything would be better than security to-day.

Mr. Terry Price, secretary-general of the Uranium Institute, said the terrorist problem was no more severe than that posed by the safe-keeping of nuclear weapons. He did not believe that the military precautions "which we all recognize as necessary" were a great constraint on a free society. Nor did he believe that the protection of "a relatively few nuclear points in the fuel cycle" need be a constraint.

But all the major issues of anti-proliferation policy—safeguards, restrictions of trade deals, transfer of know-how between nations, protection against political instabilities—had been left in the "two-difficult" tray ever since the inception of commercial nuclear energy.

Sir Alan Cottrell, master of Jesus College, Cambridge, and former chief scientific adviser to the Government, analysing the U.K. energy equation, concluded that, even with a nuclear capacity four times as big as it possessed to-day, Britain would not be able to produce enough energy to meet its needs.

Sir Alan warned that the future role of nuclear energy must depend on the fast reactor, without which nuclear contribution to energy supplies would remain a minor one, and would "eventually dwindle away."

Mr. John Dunster, deputy director-general of the Health and Safety Executive—the man to whom the chief nuclear inspectors report—said he believed that the approach developed to ensure the protection of the public and the industry's staff against the dangers of radiation could help in other areas of industry.

But there were many ways in which the problems of radiation were simpler—for example, than those of toxicology. Radiation could easily be measured, the broad biological behaviour of different radionuclides was the same, and there was a well-established natural background variations in which provided one input to the setting of acceptable levels of exposure.

"Few if any of these simplifying factors apply in relation to other hazards," said Mr. Dunster. Mr. J. C. Stewart, deputy chairman of the Nuclear Power Company, made a plea for a "quick and clear understanding in the industry about what it is expected to achieve, and to other hazards," said Mr. Dunster.

If we required economical electricity, then we should import from France, Germany, Japan or the U.S. If we wished to preserve a power plant capability, then we should begin to happen.

TWO RECENT sales have demonstrated the value of carefully selected collections.

June 2, Sotheby's Park Lane, Bond Street, sold the Richard de la Mare collection of Japanese porcelain and Nabeshima when there was virtually no bid.

Christie's offered the Robert Straus collection of Italian majolica. Each collection contained a comparatively small number of items, but the great Orientalist W. W. Winkworth attempted, within those fields, to acquire the best and most representative examples available.

Past experience of the art market confirms that these collections such as these eventually come to be sold, they have the effect of stimulating renewed interest and prices tend to rise far above the established norm. Thinking back on some of the great sales of the last few years—Smith glass, Oster Wedgwood, Norton Simon Impressionist and modern paintings, Kewicorin carpets and oriental manuscripts, Courtauld arabesques, Kewicorin Ustick and Visconti Downe etchings, Elmslie 16th century Italian drawings etc.—this has invariably been the case.

On certain particular instances—one thinks of the Parouk paperweights, the Fribourg collection of 18th century French art and the Dyson Perrins medieval manuscripts—it took the market ten years or more to catch up with the levels these sales established.

Of the two collections sold recently, that of Richard de la Mare is likely to have the greatest impact. Seventy-two lots of Japanese porcelain made a total of £245,500, more than twice the highest total estimate.

That this disparity between estimate and result was so great reflects no blame on the experts of Sotheby's Japanese department, however. No collection of this quality has been seen on the market within living memory—indeed it is possible that only one or two others exist in the West.

When dealing with such things, any preconceived notions as to value are usually of little use. Even prices which might seem to follow some known precedent, do not. Thus a faience Kakemon from the de la Mare collection, dating from the second half of the 17th century, was the pair to one sold three years ago at Sotheby's for £780; allowing for the interval in time, and the undoubted extra interest being shown in the collection as a whole, Sotheby's quite reasonably quoted £1,500 to £2,000 an

the de la Mare example. Yet it fetched £10,450, which was far above the level at which any one could have guessed.

The de la Mare collection was formed in the 1930s, at a time when there was virtually no bid for Japanese porcelain. Christie's offered the Robert Straus collection of Italian majolica. Each collection contained a comparatively small number of items, but the great Orientalist W. W. Winkworth attempted, within those fields, to acquire the best and most representative examples available.

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The timing of the de la Mare sale was, in fact, very fortuitous.

Only two years ago, I was able to write in this column: "Even at its most expensive, Japanese porcelain is still very undervalued, both economically and aesthetically." Had Mr. de la Mare sold his collection even as recently as 1974, it is doubtful if he would have recovered more than half of the 1976 total.

The collection contained three outstanding lots, a 17th century Kakemon jar which made £18,150, a superb Kakemon bottle which realised £22,000, and a Kakemon bowl which

chrome enamel, and dating from the very late 17th and early 18th centuries. Unfortunately, fine examples continued to be made in the same style throughout the 18th and well into the 19th centuries.

The problem of identifying exactly when a piece was made has not yet been solved satisfactorily. This has had an adverse effect on the market. Also the number of examples actually in the West is comparatively small, and very high prices have been rumoured in Japan.

The Robert Straus collection of Italian majolica and related wares was, although of very high quality, not the absolute best. Nevertheless, 85 lots fetched a resounding net total of £308,480.

The inevitable comparison is with the Courtauld-Damiron sale at Sotheby's in March last year, when 36 lots fetched a net £263,000. Few would doubt that the Courtauld collection, although smaller, was finer than that of Robert Straus, but the latter collection had been formed largely within the last 30 years, while Sir Stephen Courtauld had been able to pick the choicest pieces from the great sales which took place with almost monotonous regularity throughout the 1920s and 1930s.

Nevertheless, the Straus collection will remain as one of the most notable post-war sales of Italian majolica. A fine Urbino istoriato dish painted by Francesco Xanto Avelli fetched £2,000, having cost £2,600 at Christie's in 1962. A Faenza arabesque, which cost £1,300 at Sotheby's in 1959, was sold for £10,450, a Faenza Peacock-pattern dish, which cost £390 at Sotheby's in 1960, fetched £9,350, another dish by Avelli made £8,500, having cost £780 at Sotheby's in 1961; the same price, £8,500, was given for an Urbino istoriato dish for which Mr. Straus paid £290 at Sotheby's in 1958.

Unfortunately, the finest piece of the sale, a Gubbio-lustrated Castel Durante istoriato tazza, painted by Nicola Pellipario, lustrated by Maestro Giorgio Andreoli, and dated 1527, failed to sell at £24,000, although it had cost only £798 at Christie's in 1948. The sale, however, was estimated at £35,000 to £40,000, and summing taking the last year for a Gubbio plate by Andreoli as a guide, the Sotheby's price, however, was an exceptional one, for a truly exceptional piece, although Christie's would have been justified in expecting a price for their dish of around £30,000.

many consider one of the supreme masterpieces of Japanese porcelain, which made £46,200. Needless to say, all three fetched above the previous auction record in the West, although it may be a long time before a piece of equal quality to the bowl appears on the market again.

The Nabeshima porcelain was less expensive. The finest piece, a dish painted in underglaze blue with a bamboo design, made £3,980; its pair made £1,600 at Sotheby's in 1971. In general, the finest examples of Nabeshima are those painted with poly-

Carefully chosen collections can produce remarkable figures in sales, as two recent events have demonstrated



Urbino istoriato, Piatta di Poma

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13.2% The highest stable incomes currently available. Every £100 you invest NOW you could expect to receive approximately 20 pence per annum for as long as you hold your units.

ty of Income The portfolio of the Scot Preference Share Fund is invested in over 150 individual holdings and comprises 87% "income" stocks, 14% investment trusts, and 1% cash. This wide spread of investment, across the stock, bond, and income and should ensure stability of income and the income from them, may go down as well as up. Investment should be regarded as long term.

NEPAL INFORMATION Nepal is a small, mountainous country in the Himalayas. It is a developing country with a population of about 10 million. The capital is Kathmandu. The main industries are agriculture, tourism, and handicrafts. The country is a member of the South Asian Association for Regional Cooperation (SAARC).

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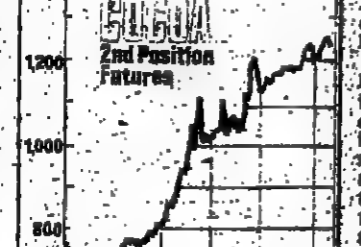
IMMODITIES/Review of the week

in prices surge to new peaks

OUR COMMODITIES STAFF

ED a general rise in prices in London Metal Exchange, copper, touching record levels, and lead values ed two-year peaks. Cash used last night at £4,825.50, up from £4,725.50 on the day and higher on a week. Three months' quotation at £4,875.50, nearly higher on the week, and in the Straits tin price of nearly \$190 to \$210.11, well above the Tin Agreement ceiling of \$210.11.

"Settling" prices were in breach in Penang last end, and this factor, with a fall in London ous stocks, set the upward that was supported by the week by speculation, turning interest. Foreign, with some lead closing last night other stocks fall gave a r slip to prices yesterday, per prices climbed to two-highs boosted by a fall in ous stocks, and the move S. producers to raise their price by 4 cents. The increase allowed the rise and last night cash closed only marginally up. 16.5 a tonne, £17 higher on week, and a slight-



the October position at one stage. This rise was largely based on American buying sparked off by concern over the drought-hit European crop. Reports of further sales by the Dominican Republic, on top of the 170,000 tonnes sold at the end of last week, seemed to have little immediate effect on market sentiment though they may have been a factor in the later fall, which trimmed the October price back to £201.5 a tonne, up £2.05 on the week.

There was little fundamental news affecting tin prices. But the September position on the London terminal market climbed to £1,200 a tonne at one time, before ending the week at £1,221.5 a tonne.

The publication of U.S. second quarter cocoa grinding figures, due yesterday, has been postponed until Monday because of insufficient returns from members of the Chocolate Manufacturers Association. Market sources have predicted that the figures will show a 10 per cent. increase over last year.

After reaching £1,612 a tonne on Monday, September 27, the price of cocoa fell to £1,527.5 a tonne, dealers blamed the fall on physical buying and the continued absence of frost in Brazil's coffee areas.

MARKET REPORTS

BASE METALS

COPPER—Marginally firmer on balance on news of a possible U.S. export ban, but mostly calmer after reflecting the firmer trend in overseas U.S. markets. The publication of U.S. second quarter copper grinding figures, due yesterday, has been postponed until Monday because of insufficient returns from members of the Chocolate Manufacturers Association. Market sources have predicted that the figures will show a 10 per cent. increase over last year.

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FREIGHTS

DRY CARGO—Chartering showed a somewhat mixed picture. Rates were firmer in the U.S. Gulf to East Coast, but softer in the U.S. Gulf to Europe. The U.S. Gulf to Europe rates were firmer, but the U.S. Gulf to Europe rates were softer.

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WOOL FUTURES

LONDON—Market tended to be quiet, with prices steady. The market was quiet, with prices steady.

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MEAT/VEGETABLES

MEAT COMMISSION—Average market prices of meat and vegetables were steady. The market was steady, with prices steady.

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U.S. Markets

Speculation sees metals, coffee down

NEW YORK, July 9.

METALS CLOSED quiet on speculative profit-taking in very quiet trading. Spot metals showed a slight decline, with copper down 1.5 cents to 100.50, and lead down 0.50 to 10.50.

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EKLY PRICE CHANGES

Item	Unit	Price	Change
1. Tin (90%)	£/ton	200.00	+0.50
2. Tin (95%)	£/ton	200.00	+0.50
3. Tin (99%)	£/ton	200.00	+0.50
4. Tin (99.5%)	£/ton	200.00	+0.50
5. Tin (99.9%)	£/ton	200.00	+0.50
6. Tin (99.95%)	£/ton	200.00	+0.50
7. Tin (99.99%)	£/ton	200.00	+0.50
8. Tin (99.995%)	£/ton	200.00	+0.50
9. Tin (99.999%)	£/ton	200.00	+0.50
10. Tin (99.9995%)	£/ton	200.00	+0.50
11. Tin (99.9999%)	£/ton	200.00	+0.50
12. Tin (99.99995%)	£/ton	200.00	+0.50
13. Tin (99.99999%)	£/ton	200.00	+0.50
14. Tin (99.999995%)	£/ton	200.00	+0.50
15. Tin (99.999999%)	£/ton	200.00	+0.50
16. Tin (99.9999995%)	£/ton	200.00	+0.50
17. Tin (99.9999999%)	£/ton	200.00	+0.50
18. Tin (99.99999995%)	£/ton	200.00	+0.50
19. Tin (99.99999999%)	£/ton	200.00	+0.50
20. Tin (99.999999995%)	£/ton	200.00	+0.50

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19. Tin (99.99999999%)	£/ton	200.00	+0.50
20. Tin (99.999999995%)	£/ton	200.00	+0.50

July	100.0-70.0	-1.0	1070.0-85.0
August	103.7-69.0	-3.0	1070.0-85.0
Sept.	103.0-70.0	-1.0	1070.0-85.0
Oct.	103.0-70.0	-1.0	1070.0-85.0
Nov.	103.0-70.0	-1.0	1070.0-85.0
Dec.	103.0-70.0	-1.0	1070.0-85.0
Jan.	103.0-70.0	-1.0	1070.0-85.0
Feb.	103.0-70.0	-1.0	1070.0-85.0
Mar.	103.0-70.0	-1.0	1070.0-85.0
Apr.	103.0-70.0	-1.0	1070.0-85.0
May	103.0-70.0	-1.0	1070.0-85.0
June	103.0-70.0	-1.0	1070.0-85.0
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HOME NEWS

New Soviet container service in London

By John Wyles, Shipping Correspondent

THE START yesterday of a new regular weekly container service from London's Tilbury Docks to the West Coast of the United States by Russia's Balt-Antarctica Line is likely to pose a new freight rate challenge to British shipowners.

Although the Russians have not published freight charges for the new service, they are understood to be offering rates up to 20 per cent below the established trans-Atlantic conference lines.

This has aroused growing anxiety among British operators such as Dart Container Line, Cunard-Brookbank, Manchester Liners and the international consortium, Atlantic Container Line. Complaints to the General Council to British Shipping's pressure on the British Government to step up its attempts to persuade Russia to moderate its challenge which is already hitting a wide range of other liner services.

While the new service may be a depressing threat to British shipowners, it is welcome business for the Port of London Authority's common user container terminal at Tilbury. Balt-Antarctica have been operating trans-Atlantic services for some time out of Rotterdam, Bremerhaven and Hamburg and the inclusion of Tilbury is clearly designed to boost the line's share of trade between Europe and America.

The line, which is owned by the Baltic Shipping Company of Leningrad, will be using new container and roll-on/roll-off ships, linking Tilbury with New York, Philadelphia, Baltimore and Savannah.

Steel, Pardoe share by-election platform

BY RICHARD EVANS, LOBBY EDITOR

MR. DAVID STEEL and his defeated rival, Mr. John Pardoe, will campaign together today at Thurrock in a gesture of reconciliation following their hard fought and at times acrimonious leadership contest.

Over lunch in London yesterday, the new party leader and Mr. Pardoe are understood to have reached an agreement on working together in the interests of party unity, which has been under severe strain during the leadership campaign.

Mr. Steel intends to announce his party's portfolios next week and is expected to offer a key role to Mr. Pardoe who has expressed a wish to continue as economic and finance spokesman. He is likely to take part in three days report stage debate on the Finance Bill next week.

Mr. Steel yesterday also saw

Mr. Russell Johnston, leader of the Scottish Liberals, who backed Mr. Pardoe in the leadership election. But he will wait until Cyril Smith, who has expressed in forthright terms his determination not to co-operate with the new leader.

In a letter to Liberal candidates released yesterday, Mr. Steel urges the party to turn its attention away from the wrangling that has occupied so much of our time over the past six months. He states that he intended as leader, and with the support of John Pardoe and other parliamentary colleagues, to ensure that this happened.

Mr. Steel and Mr. Pardoe will campaign in Thurrock today on behalf of Mr. Tony Charlton, the Liberal candidate in Thursday's by-election.

Rain fails to halt drought talks

By Donald Maclean

RAIN in parts of the country in recent hours, such as the South-West and Wales, and forecasts of some to come elsewhere, did not prevent the water industry being huddled yesterday in consultations over the drought problem.

While some areas face the underlying water shortage, the relatively little fear of need for stringent emergency measures, others, such as parts of East Anglia, Yorkshire, Wessex and South-East Wales—there is a real shortage threat.

In the Leeds and Harrogate district domestic water pressure is being cut to 10 p.s.i. on Monday. Standpipes may be brought into play in the Northampton district by the end of the month.

The Northampton situation emphasises problems in the worst hit areas. Reservoir stocks there are at less than 30 per cent of capacity.

OVERSEAS AND COMPANY NEWS

French oil deal approved

BY RUPERT CORNWELL

PRIVATE SHAREHOLDERS in Societe Nationale des Petroles d'Aquitaine today approved a full merger of their company with the state-controlled ELF-ERAP group, which will endow France with a second fully integrated oil concern to set alongside the CFP/Total group.

Although the government holds through ERAP 54 per cent of Aquitaine, it took no part in the deliberations of the extraordinary general meeting this morning.

However the 60 per cent of Aquitaine's private shareholders present at the meeting were very quiet and the deal, which was held barely half full.

SNEA will have annual sales of some Frs.30bn. (23.4bn.) and will generate oil and gas output of 40m. tons petroleum equivalent a year. The group also holds a 50 per cent stake in the rich nickel deposits of New Caledonia, as well as a big foothold in the French pharmaceutical industry.

Steel, petrol boost U.S. price index

By Our Own Correspondent

WASHINGTON, July 9.

INCREASES in the cost of steel and petrol were chiefly responsible for a 0.4 per cent increase in wholesale prices in the U.S. last month. This is equivalent to an annual rate of some 1 per cent, which is a little higher than the administration has been predicting, but roughly within the range expected after the very low rate of price increases earlier this year.

While the increase in food prices was significantly smaller than in the previous two months, the rise in industrial commodity prices—0.5 per cent—was the largest such increase for six months.

Opera saved

THE PARIS Opera was saved from threatened closure yesterday when unions advised rebellious performers and technical staff to accept new working terms offered by the management. Reuter reports from Paris.

Dutch novel bond issue

BY MICHAEL VAN OS

AMSTERDAM, July 9.

THYSSEN-BORNEMISZA, the member Mr. F. W. Freese, who is in charge of finance, said the background to the "near-certain" issue of the company's balance sheet; it would also be used to expand current activities.

The loan followed a very careful study into the form of financing that best suited the company. The possibility of going public was not considered attractive as in view of the Bourse climate. Mr. Freese said Thyssemisza was aiming to raise Frs.150m. at 15 per cent or so annually, an aim it had substantially exceeded in the past few years. For the current year, developments were favourable, but more so in the U.S. than in Europe, thus reversing last year's trend. The first half figures will be published July 13, four days before the close of subscription.

The Thyssemisza director said that in the U.S. the company was negotiating with last year's year achieved \$4.5m. profits on \$80m. sales. Although it appeared to have switched investments solely to the U.S., divesting in Holland and Germany, it said expansion was still considered in Germany and France.

Dupont merger called off

WILSON, JUL

SHEENANDOH OIL Corp. Dupont said that Shraha has decided to terminate discussions and plans to proposed acquisition of an oil by Dupont.

Shenandoh said "encouraging developments in its business and other factors caused it to conclude it would not be possible to proceed with the proposed merger of its shareholders."

Canada to oppose U.S. uranium pro

OTTAWA, JUL

FINANCE MINISTER J. Macdonald told Parliament that Canada will oppose attempts by the U.S. Government to extend into Canada investigation into price-fixing and market by various uranium producers. The Minister was replying to a report that the U.S. Government had been investigating the uranium trade in Canada. He said that the U.S. Government's investigation was a "serious matter" and that Canada was "convinced" that the U.S. Government was "not acting in the best interests of the uranium industry in Canada."

IN BRIEF

Call for efficient NHS

The National Health Service should be administered more efficiently and should be run at lower costs, Mr. David Ennals, Secretary for Social Services, yesterday told the annual meeting of the National Association of Health Authorities in London. He said the system of health service care has become weighted too heavily towards administration, and not enough towards direct medical care.

Sales jump

The last three weeks of extremely hot weather have caused a sudden dramatic jump in two-wheeler sales, with registrations in the last ten days of

EEC fat tax

British beef specialists reacted furiously yesterday to Commission Market proposals to tax vegetable and fish fats to help solve the problem of the EEC's milk glut and butter mountain.

The proposals would bring the price of margarine nearer to that of butter and put up the prices of other vegetable oil products.

Test fees rise

Ordinary driving test fees rise to 57.5 pence in August under regulations laid before Parliament yesterday by Dr. John Gilbert, the Minister of Transport. The fee for a heavy goods vehicle driving test goes up 300 per cent, from 28 pence to 84 pence.

Economic problems

An increase in economic problems is forecast in the annual report of the British Carpet Manufacturers' Association, published yesterday.

This week's SE dealings

Friday, July 9 4.580

Thursday, July 8 4.545

Wednesday, July 7 4.355

Tuesday, July 6 4.792

Monday, July 5 4.188

Sunday, July 4 4.339

Saturday, July 3 4.339

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Markets restrained by further setback in sterling

Share index eases 0.6 to 386.7, but up 11.6 on the Account

Six-month forward U.S. dollar: 6.13-6.95c

فكانت منه الأصل

